

**TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT**

TO: Mayor and Councilmembers

FROM/PHONE: Kenneth Cohen, Assistant Town Administrator/797-1030

PREPARED BY: William W. Ackerman, CPA, Budget & Finance Director/797-1050

SUBJECT: Resolution

AFFECTED DISTRICT: Townwide

ITEM REQUEST: **Schedule for Council Meeting**

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA (THE "TOWN") PERTAINING TO THE ISSUANCE BY THE TOWN OF ITS TOWN OF DAVIE, FLORIDA EDUCATIONAL FACILITIES REVENUE BONDS, SERIES 2007 (PARKWAY CHRISTIAN SCHOOL PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$2,500,000, FOR THE PURPOSE OF MAKING A LOAN OF FUNDS TO PARKWAY CHRISTIAN CHURCH, INC. (THE "BORROWER") FOR CERTAIN CAPITAL EXPENDITURES PREVIOUSLY MADE BY THE BORROWER WITH RESPECT TO THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES LOCATED IN THE TOWN; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT TO PROVIDE SECURITY FOR SUCH BONDS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE WITH THE BANK OF NEW YORK TRUST COMPANY, N.A., AS TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE FORM AND DISTRIBUTION OF THE OFFERING CIRCULAR; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS WITH FIFTH THIRD SECURITIES, INC. AND APPROVING THE CONDITIONS OF SUCH SALE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; APPROVING IDENTIFICATIONS OF HEDGE AGREEMENTS FOR FEDERAL TAX PURPOSES; APPOINTING AUTHORIZED OFFICERS AND AUTHORIZING TOWN OFFICIALS AND OFFICERS TO TAKE ALL ACTIONS IN CONNECTION WITH THE DELIVERY OF THE BONDS AND OTHER RELATED MATTERS; AND PROVIDING CERTAIN OTHER DETAILS IN CONNECTION THEREWITH.

REPORT IN BRIEF: The accompanying resolution is necessary for the Town to proceed with issuing the project bonds. This resolution establishes the maximum amount of the bonds, the terms of the loan agreement and the trust indenture, authorizes the official statement, authorizes the sale of the bonds with The Bank of New York Trust Company, N.A., approves the underwriting agreement, and authorizes the appropriate Town officials to take all actions in connection with delivery of the bonds.

PREVIOUS ACTIONS: Town Council previously approved Resolution 2003-312 on December 2, 2003 for the United Jewish Community of Broward County, Inc.

CONCURRENCES: Town Administration, Town Attorney, Town Bond Counsel, and Parkway Christian School.

FISCAL IMPACT: not applicable

Has request been budgeted? n/a

If yes, expected cost: \$

Account Name:

If no, amount needed: \$

What account will funds be appropriated from:

Additional Comments: The Parkway Christian Church Inc has agreed to pay all direct Town expenditures related to the issuance of the bonds.

RECOMMENDATION(S): Motion to approve the resolution

Attachment(s):

Resolution and Exhibit A, B, C, D

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA (THE “TOWN”) PERTAINING TO THE ISSUANCE BY THE TOWN OF ITS TOWN OF DAVIE, FLORIDA EDUCATIONAL FACILITIES REVENUE BONDS, SERIES 2007 (PARKWAY CHRISTIAN SCHOOL PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$2,500,000, FOR THE PURPOSE OF MAKING A LOAN OF FUNDS TO PARKWAY CHRISTIAN CHURCH, INC. (THE “BORROWER”) FOR CERTAIN CAPITAL EXPENDITURES PREVIOUSLY MADE BY THE BORROWER WITH RESPECT TO THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF CERTAIN EDUCATIONAL FACILITIES LOCATED IN THE TOWN; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT TO PROVIDE SECURITY FOR SUCH BONDS; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE WITH THE BANK OF NEW YORK TRUST COMPANY, N.A., AS TRUSTEE; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE FOREGOING; AUTHORIZING THE FORM AND DISTRIBUTION OF THE OFFERING CIRCULAR; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS WITH FIFTH THIRD SECURITIES, INC. AND APPROVING THE CONDITIONS OF SUCH SALE; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; APPROVING IDENTIFICATIONS OF HEDGE AGREEMENTS FOR FEDERAL TAX PURPOSES; APPOINTING AUTHORIZED OFFICERS AND AUTHORIZING TOWN OFFICIALS AND OFFICERS TO TAKE ALL ACTIONS IN CONNECTION WITH THE DELIVERY OF THE BONDS AND OTHER RELATED MATTERS; AND PROVIDING CERTAIN OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to the provisions of Part II of Chapter 159, Florida Statutes, as amended, Part II of Chapter 166, Florida Statutes, as amended, the Town Charter of the Town of Davie, Florida, as amended and supplemented, the Constitution of the State of Florida and other, applicable provisions of law (collectively, the “Act”), and the policies of the Town of Davie, Florida (the “Town”), Parkway Christian Church, Inc., a Florida not-for-profit corporation which is exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the operating entity of Parkway Christian School (the “Borrower”) has submitted an application (the “Application”) to the Town requesting that the Town issue Educational Facility Revenue Bonds in an aggregate principal amount not exceeding \$2,500,000 to refinance all or a

portion of the costs of acquiring, constructing, and equipping educational facilities located in the Town (collectively, the “Project”) and to pay costs of issuance of the Bonds (as defined herein); and

WHEREAS, in order to fund a loan for the refinancing of the Project, the Town will issue its Town of Davie, Florida Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project), in the aggregate principal amount not exceeding \$2,500,000 (the “Bonds”) pursuant to and secured by a Trust Indenture (the “Indenture”) by and between the Town and The Bank of New York Trust Company, N.A., as Trustee (the “Trustee”); and

WHEREAS, Fifth Third Bank will issue and deliver to the Trustee its irrevocable direct-pay letter of credit (the “Letter of Credit”) providing for payment when due of the principal of and interest on the Bonds, and payment of the purchase price of Bonds tendered for purchase; and

WHEREAS, the Bonds will be underwritten through Fifth Third Securities, Inc., and will be secured by, among other things, loan repayments to be made by the Borrower under the Loan Agreement (as defined herein); and

WHEREAS, the Borrower may find it desirable to enter into one or more interest rate hedge agreements with respect to all or a portion of the Bonds to lock in interest rates prior to and shortly after the issuance of the Bonds (collectively, the “Hedge Agreement”); and regulations under the Internal Revenue Code of 1986, as amended (the “Code”), require that the Town identify any Hedge Agreement as a “qualified hedge” in order to take into account the net payments and receipts under any Hedge Agreement in determining the yield on the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AS FOLLOWS:

SECTION 1. “Authorized Officer” as used herein refers to the Mayor of the Town, the Vice Mayor of the Town, the Town Administrator or the Director of Budget and Finance of the Town. The Town Clerk, or in his or her absence, any deputy or assistant of the Town Clerk, is hereby designated and authorized on behalf of the Town to attest to the seal of the Town and to the signature of an Authorized Officer as it appears on the Bonds and the documents to be executed and delivered on behalf of the Town in connection with the issuance and delivery of the Bonds, including the Indenture, the Loan Agreement, the Bond Purchase Agreement and any other documents which may be necessary in connection with the issuance and delivery of the Bonds, including any tax certificates and agreements with respect to maintaining the tax exemption for interest on the Bonds, if applicable. All other terms used herein in capitalized form, unless otherwise defined herein, shall have the same meanings as ascribed to them in the Indenture.

SECTION 2. The Town hereby finds, determines and declares as follows:

A. The Town is authorized under the Act to refinance the Project as herein contemplated and to fully perform the obligations of the Town in connection

therewith in order to promote the industrial economy of the Town, increasing and preserving opportunities for gainful employment and purchasing power, increasing educational opportunities, improving the prosperity and welfare of the State of Florida and its inhabitants, and otherwise contribute to the prosperity, health and welfare of the Town, and the inhabitants thereof.

B. The Project is an “educational facility,” and a “project” within the meaning and contemplation of the Act, is appropriate to the needs and circumstances of, and shall make a significant contribution to the economic growth of the Town and Broward County, Florida, and shall provide or preserve gainful employment and shall serve a public purpose by advancing the economic prosperity and the general welfare of the State of Florida and its people and by improving living conditions within the State of Florida.

C. The Town 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 operation, repair and maintenance of the Project and on account of any increases in population or other circumstances resulting therefrom.

D. Adequate provision has been made in the documents attached hereto for a loan by the Town to the Borrower to refinance the acquisition and equipping of the Project and thereafter for the operation, repair and maintenance of the Project at the expense of the Borrower and for the repayment by the Borrower of the loan in installments sufficient to pay the principal of and the interest on the Bonds and all costs and expenses relating thereto in the amounts and at the times required.

E. The Town is not obligated to pay the Bonds except from the proceeds derived from the repayment of the loan to the Borrower, or from the other security pledged therefor or draws from the Letter of Credit to be issued by Fifth Third Bank, in connection with the Bonds and neither the full faith and credit of the Town, the State of Florida or any political subdivision thereof, nor the taxing power of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds.

F. The Town and the Borrower will concurrently with the issuance of the Bonds execute the documentation required for the financing of the Project as contemplated hereby.

G. A negotiated sale of the Bonds is required and necessary and is in the best interest of the Town for the following reasons:

i. The Bonds will be special and limited obligations of the Town payable out of moneys derived by the Town from the Borrower’s repayment of the loan pursuant to the Loan Agreement or as otherwise provided herein and will be secured by funds of the Borrower paid pursuant to the Loan Agreement.

ii. The Borrower will be required to pay all costs of the Town in connection with the issuance of the Bonds. The cost of issuance of the Bonds, which must be borne directly or indirectly by the Borrower, would most likely be greater if the Bonds were sold at public sale by competitive bids than if the Bonds are sold at negotiated sale.

iii. There is no basis, considering prevailing market conditions, for any expectation that the terms and conditions of a sale of the Bonds at public sale by competitive bids would be any more favorable than at negotiated sale; because prevailing market conditions are uncertain, it is desirable to sell the Bonds at a predetermined price.

iv. The Bonds will be variable rate demand bonds. This variable rate structure with the possibility of a synthetically fixed interest rate will require the assistance of an underwriter to market and a remarketing agent to remarket such Bonds and are typically sold at negotiated sale under prevailing market conditions.

H. Fifth Third Securities, Inc., as underwriter (“Underwriter”) of the Bonds, prior to the issuance of the Bonds, will provide to the Town a disclosure statement containing the information required by Section 218.385(6), Florida Statutes, as amended. Said disclosure shall be acceptable to the Town and the Town will not require any further disclosure from the Underwriter.

I. The Underwriter has submitted a proposal to purchase the Bonds pursuant to the terms of the Bond Purchase Agreement hereinafter more particularly described (the “Bond Purchase Agreement”).

J. The costs of the Project will be paid from the proceeds of the Bonds in accordance with the terms of the Loan Agreement and the Indenture, and these costs constitute costs of a “project” within the meaning of the Act.

K. A hearing by the Town concerning the issuance of the Bonds by the Town to refinance the Project, at which comments and discussions from interested persons were solicited and heard, was held on November 7, 2007, after and pursuant to appropriate publication of notice thereof in *The SunSentinel*, a newspaper of general circulation in Broward County, Florida, at least fourteen (14) days in advance of said hearing.

L. It is in the best interest of the Town to award the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement and approved by an Authorized Officer of the Town pursuant to the terms and conditions of the Bond Purchase Agreement.

SECTION 3. The acquisition and equipping of the Project and the refinancing thereof is hereby authorized.

SECTION 4. For the purpose of refinancing the cost of the Project, subject and pursuant to the provisions hereof and in accordance with the Act, the issuance by the Town of the Bonds in the original aggregate principal amount not exceeding \$2,500,000 is hereby authorized. The Bonds shall be designated “Town of Davie, Florida Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project),” and subject to the award of the sale thereof as hereinafter provided and payment as provided in the Indenture, shall be issued in the name of and delivered to the Underwriter or as otherwise directed by an Authorized Officer. The sale of the Bonds to the Underwriter in an aggregate principal amount not exceeding \$2,500,000 at a purchase price of par (the “Purchase Price”) is hereby authorized. The Bonds will initially bear interest at a weekly mode until the rate period for the Bonds is converted to a different rate period pursuant to the Indenture. Notwithstanding the foregoing, a fee to the Underwriter not exceeding 1 percent (1%) of the principal amount of the Bonds shall be withheld from the Purchase Price.

The Bonds shall be dated such date, shall bear interest at such rate or rates not exceeding the maximum interest rate allowed by law, shall be payable or shall mature on such date or dates not exceeding 21 years from their date of issuance, shall be issued in such denominations, shall be subject to optional, extraordinary and mandatory redemption at such time or times, and upon such terms and conditions, shall be subject to optional and mandatory tender at such time or times and upon such terms and conditions, shall be payable at the place or places and in the manner, shall be executed, authenticated and delivered, shall otherwise be in such form and subject to such terms and conditions, all as provided in the Indenture, and the authority to approve such matters is hereby expressly delegated to the Authorized Officer, with such approval to be conclusively evidenced by an Authorized Officer’s execution of any documents including such terms and conditions.

The Bonds and the premium, if any, and the interest thereon shall not be deemed to constitute a general debt, liability or obligation of the Town, Broward County, or the State of Florida or of any political subdivision thereof, or a pledge of the full faith and credit of the Town, Broward County, or the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues provided therefor, and the Town is not obligated to pay the Bonds or the interest thereon except from the revenues and proceeds pledged therefor and neither the full faith and credit of the Town, nor the taxing power of the Town, Broward County, the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds

SECTION 5. In order to secure the payment of the principal of, premium, if any, and the interest on the Bonds herein authorized, according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions in said Bonds, the execution and delivery of the Indenture, a proposed form of which is attached hereto as **Exhibit “A”**, is hereby authorized. The form of the Indenture is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in such form of Indenture by any Authorized Officer executing the same, in a manner consistent with

the provisions of this Resolution, such execution to be conclusive evidence of such approval. The Bank of New York Trust Company, N.A., is hereby designated as the initial Trustee, Paying Agent and Registrar under the Indenture.

SECTION 6. As authorized by and in conformity with the Act, it is desirable and in the public interest that the Town loan funds to the Borrower to refinance the costs of the Project, such loan to be evidenced by the Loan Agreement (the “Loan Agreement”) between the Town and the Borrower, a proposed form of which is attached hereto as **Exhibit “B”**, and the execution and delivery of the Loan Agreement is hereby authorized, and the assignment of certain rights of the Town under the Loan Agreement by the Town to the Trustee is hereby authorized. The form of the Loan Agreement is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in the form of the Loan Agreement by any Authorized Officer of the Town executing the same and by the Borrower, in a manner consistent with the provisions of this Resolution, such execution to be conclusive evidence of any such approval.

SECTION 7. In order to evidence the undertaking of the Underwriter to purchase the Bonds and to set forth the terms and conditions of such sale, including the fee paid to the Underwriter for such sale, the Borrower, the Underwriter and the Town will enter into the Bond Purchase Agreement, a proposed form of which is attached hereto as **Exhibit “C”**. The terms of the Bond Purchase Agreement attached hereto are hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein and attaching of exhibits thereto as may be approved by the officers of the Town executing the same, the Borrower and the Underwriter, such execution to be conclusive evidence of such approval.

SECTION 8. In order to obtain the lowest possible interest rate in connection with the initial issuance of the Bonds, the Borrower has agreed to permit the Bonds to contain provisions allowing them to be tendered back to the Remarketing Agent, as hereinafter defined, by the bondholders and to then be remarketed in accordance with their terms and the terms of the Indenture. In order to accommodate such plan of financing, the Borrower will enter into a Remarketing Agreement (the “Remarketing Agreement”) with Fifth Third Securities, Inc. (in such capacity, the “Remarketing Agent”). There is hereby delegated by the Town to the Remarketing Agent such authority as is necessary for the establishment of the interest rate on the Bonds pursuant to the terms of the Indenture.

SECTION 9. The Town hereby approves the distribution and use of the Offering Circular to reflect the offering for sale of the Bonds authorized in this Resolution, a proposed form of which is attached hereto as **Exhibit “D”** and also authorizes the execution, on behalf of the Town, of the Offering Circular relating to the Bonds with such changes, omissions and insertions as the Authorized Officer executing the same may, in his or their sole discretion, approve, such execution to be conclusive evidence of such approval. Any Authorized Officer is hereby authorized to make any necessary findings and to deliver any required certifications with respect to the Offering

Circular as required under Securities and Exchange Commission Rule 15c2-12, after consultation with Bond Counsel and the Town Attorney.

SECTION 10. Certain rights of the Town under the Loan Agreement shall be assigned by the Town to the Trustee under the terms of the Indenture, all as set forth in the Indenture.

SECTION 11. An Authorized Officer, subject to the terms hereof, is hereby authorized and empowered to execute and deliver the Bonds, the Indenture, the Loan Agreement, the Bond Purchase Agreement and all documents contemplated thereby, in each case, subject to such changes and modifications as either of such officers may approve, such execution to be conclusive evidence of any such approval, and to affix thereto or impress thereon, the seal of the Town.

SECTION 12. In order to insure that any Hedge Agreement is deemed to be a “qualified hedge” under the Code, the Town hereby authorizes any of its Authorized Officers to issue one or more certificates or letters identifying any Hedge Agreement for federal tax purposes upon approval of such certificates or letters by Bond Counsel and the Town Attorney.

SECTION 13. The Town and the officials, officers, employees and agents of the Town acting on behalf of the Town are hereby authorized and directed to execute such documents, instruments and contracts, whether or not expressly contemplated hereby, and to do all acts and things required by the provisions of this Resolution and by the provisions of the Bonds, the Indenture, the Loan Agreement and the Bond Purchase Agreement, as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions, and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution, or as may be requested by the Underwriter, the Bank, the Borrower, the Remarketing Agent, or the Trustee, Authorized Officer’s are hereby designated as the primary officers of the Town charged with the responsibility of issuing the Bonds, and each is hereby authorized to delegate to any other person any of the duties or authorizations hereunder.

SECTION 14. In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution, and this Resolution shall be construed and enforced as if such illegal or, invalid provision had not been contained herein. This Resolution is adopted and the Indenture and the Loan Agreement shall be executed, and the Bonds shall be issued, with the intent that the laws of the State of Florida shall govern their construction, except as shall otherwise be expressly provided by the terms thereof.

SECTION 15. All prior resolutions or parts thereof in conflict herewith are hereby repealed.

SECTION 16. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this 7th day of November, 2007.

TOWN OF DAVIE, FLORIDA

By: _____
_____ Tom Truex, Mayor

ATTEST:

By: _____
_____ Russell Muniz, Town Clerk

I hereby certify that I have approved as to the form and correctness this Resolution.

_____ Town Attorney

TRUST INDENTURE

BETWEEN

TOWN OF DAVIE, FLORIDA,
AS ISSUER

AND

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

Relating to:

\$2,500,000

TOWN OF DAVIE, FLORIDA
EDUCATIONAL FACILITIES REVENUE BONDS
SERIES 2007
(PARKWAY CHRISTIAN SCHOOL PROJECT)

SECTION 17. Dated as of November 1, 2007

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Trust Indenture but is for convenience of reference only)

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TRUST INDENTURE

THIS TRUST INDENTURE (the "Indenture") dated as of November 1, 2007, by and between TOWN OF DAVIE, FLORIDA, a municipal corporation and political subdivision of the State of Florida (the "Issuer"), and THE BANK OF NEW YORK TRUST COMPANY, N.A., as trustee (the "Trustee"), a national banking association having a designated corporate trust office located in Indianapolis, Indiana, under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals hereto shall have the meanings set forth in Article I hereof unless the context or use clearly indicates another meaning or intent).

WITNESSETH:

WHEREAS, pursuant to the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law (collectively, the "Act"), authorizes and empowers the Issuer to issue revenue bonds and loan the proceeds therefrom to an individual or entity for the purpose financing or refinancing of such projects that will make a significant contribution to the economic growth within the municipal boundaries of the Town, provide and preserve gainful employment, provide educational opportunities and serve a public purpose by advancing the economic prosperity and the general welfare of the State and its people and vests such Issuer with powers that may be necessary to enable it to accomplish such purposes; and

WHEREAS, the Project is of the character and will accomplish the purposes of the Act, will make a significant contribution to the economic growth within the municipal boundaries of the Town, provide and preserve gainful employment, provide educational opportunities and serve a public purpose by advancing the economic prosperity and the general welfare of the State and its people and general welfare of the citizens of Town of Davie, Florida; and

WHEREAS, the Act provides that such bonds may be secured by a trust indenture between the Issuer and a corporate trustee; and

WHEREAS, the Issuer proposes to issue its Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project) (the "Bonds"), in the aggregate principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) pursuant to this Indenture to finance the purposes of the Project; and

WHEREAS, the Trustee has accepted the trust created by this Indenture, and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of principal of, premium, if any and interest on the Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the

terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Bondholders, and for other good and valuable consideration, the receipt of which is acknowledged, the Issuer has executed and delivered this Indenture and absolutely assigns hereby to the Trustee, and to its successors in trust, and its and their assigns, all right, title and interest of the Issuer in and to the Security, as more specifically described in Section 301 hereof.

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Bondholders of the Bonds issued or to be issued under and secured by this Indenture,

(b) for the enforcement of the payment of the principal of and interest and any premium on the Bonds, when payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture;

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; provided, however, that moneys drawn under the Letter of Credit shall be applied only to the payment of the Purchase Price of or the principal of and interest on the Bonds; and provided further however, that

(i) if the principal of the Bonds and the interest due or to become due thereon together with any premium required by redemption of any of the Bonds prior to maturity shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the outstanding Bonds shall have been paid and discharged in accordance with Article V hereof, and

(ii) if all of the covenants, agreements, obligations, terms and conditions of the Issuer under this Indenture shall have been kept, performed and observed and there shall have been paid (or provided for) to the Trustee and the Bank all sums of money due or to become due to them in accordance with the terms and provisions hereof,

this Indenture and the rights assigned hereby shall cease, determine and be void, except as provided in Sections 501 and 503 hereof with respect to the survival of certain provisions hereof; otherwise, this Indenture shall be and remain in full force and effect.

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all Security assigned hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Bondholders, as follows:

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SECTION 18. ARTICLE I

A. DEFINITIONS

All terms used herein which are not defined herein but are defined in the Loan Agreement identified below shall have the meanings therein set forth, which definitions are by this reference incorporated herein and made a part hereof. In addition to terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture and the preambles hereto shall have the following meanings unless the context or use clearly indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of the terms and words herein defined:

“Act” means the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, as supplemented and amended.

“Act of Bankruptcy” means the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by or against the Issuer, the Borrower, or any Insider of the Borrower or the Issuer under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

“Alternate Letter of Credit” means an irrevocable letter of credit delivered to, and accepted by, the Trustee pursuant to Section 3.7 of the Loan Agreement, including any amendment, reissuance, replacement, renewal or extension thereof.

“Authorized Denomination” means (a) prior to the Conversion Date, \$100,000 or any integral multiple of \$5,000 in excess thereof, and (b) on or after the Conversion Date, \$5,000 or any integral multiple thereof.

“Bank” means Fifth Third Bank, an Ohio banking corporation, in its capacity as the issuer of the Original Letter of Credit, its successors in such capacity and their assigns, and, upon the acceptance of any Alternate Letter of Credit by the Trustee as provided herein, the issuer of such Alternate Letter of Credit, its successors in such capacity and their assigns.

“Beneficial Owner” means, when the Bonds are held in a book-entry only system, the owner of a Bond or portion thereof for federal income tax purposes.

“Bond” or “Bonds” means the Bonds authorized to be issued pursuant to Sections 201 and 202 hereof.

“Bond Counsel” means a firm of nationally recognized attorneys at law acceptable to the Issuer and experienced in legal work relating to the issuance of bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Code.

“Bond Fund” means the fund created by Section 401 of this Indenture.

“Bondholder” or “holder” means the Registered Owner of any Bond.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated as of November 1, 2007, among the Underwriter, the Issuer and the Borrower.

“Bond Purchase Fund” means the fund created by Section 403 of this Indenture.

“Bond Register” means the books of the Issuer kept by the Trustee to evidence the registration, transfer and exchange of Bonds.

“Borrower” means Parkway Christian Church, Inc., a Florida not-for-profit corporation, organized as a 501(c)(3) organization under the Code, and its successors and assigns.

“Borrower Bonds” means Bonds, other than Pledged Bonds, the registered owner or Beneficial Owner of which is the Borrower (or any affiliate of the Borrower). For purposes of this definition, (a) an “affiliate” means any person directly or indirectly controlling or controlled by or under direct or in direct common control with the Borrower; and (b) “control” 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.

“Business Day” means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in the city in which the designated corporate trust office of the Trustee (or its bond registrar, paying agent or tender agent offices) is located or the principal office of the Remarketing Agent is located or the office of the Bank at which action is to be taken to realize moneys under the Letter of Credit is located are required or authorized by law or executive order to be closed, or (iv) a day on which the New York Stock Exchange is closed or the payment system of the Federal Reserve is not operational.

“Calendar Week” means the period of seven days from and including Friday to and including the following Thursday; provided, however, that the first Calendar Week means the period from and including the Issue Date to and including the following Thursday, unless the date on which the Bonds are delivered is a Thursday, in which case the first Calendar Week shall consist of that Thursday only.

“Code” means the Internal Revenue Code of 1986, as amended, and the rulings and regulations (including temporary and proposed) promulgated thereunder and under the Internal Revenue Code of 1954, as amended.

“Computation Date” means the date on which the Remarketing Agent determines the Fixed Rate, which shall be a Business Day not more than twelve (12) Business Days nor less than five (5) Business Days prior to the Conversion Date.

“Construction Fund” means the fund created by Section 402 of this Indenture.

“Conversion Date” means the Business Day on which the Fixed Rate on the Bonds shall be effective pursuant to Section 204 hereof.

“Conversion Notice” means the notice given by the Borrower of its intent to convert the interest rate on the Bonds to the Fixed Rate pursuant to Section 204(a)(i) hereof.

“Costs of the Project” shall have the meaning specified in the Loan Agreement.

“Counsel” means an attorney, or firm thereof, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia.

“Current Account” means the account within the Bond Fund established pursuant to Section 401 of this Indenture.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Bonds in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Determination of Taxability” means a determination that the interest income on any of the Bonds is included in gross income for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

(a) the day on which the Borrower is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, based upon any filings of the Borrower, or upon any review or audit of the Borrower, or upon any other grounds whatsoever, the interest on the Bonds is includable for federal income tax purposes in the gross income of any current or former holder or Beneficial Owner thereof;

(b) the day on which the Borrower receives notice from the Trustee in writing that the Trustee has been advised in writing by any current or former holder or Beneficial Owner of a Bond that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to such current or former holder or Beneficial Owner which

asserts in effect that the interest on the Bonds received by such current or former holder or Beneficial Owner is includable in the gross income of such current or former holder or Beneficial Owner;

(c) the day on which the Borrower is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service that the interest on the Bonds is includable for federal income tax purposes in the gross income of any current or former holder or Beneficial Owner of a Bond;

(d) the day on which the Borrower is advised in writing that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the Borrower has been given written notice and an opportunity to participate and defend that the interest on the Bonds is includable in the gross income of any current or former holder or Beneficial Owner of a Bond; or

(e) the date specified in a written opinion to the Borrower from Bond Counsel as the day on which interest on the Bonds first became or will become includable in the gross income of any current or former holder or Beneficial Owner of a Bond;

provided, however, no Determination of Taxability shall occur under subparagraph (a), (b) or (c) of this paragraph unless the Borrower has been afforded the opportunity, at its expense, to contest any such conclusion and/or assessment after furnishing the Trustee, the Issuer and the Bank, within 30 days after the occurrence of an event described in subparagraph (a), (b) or (c) of this paragraph, with an opinion of Bond Counsel to the effect that there is a reasonable likelihood that the Borrower will prevail in such contest, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined. The Borrower shall promptly notify the Trustee, the Bank and the Issuer of any event described in subparagraph (a), (c), (d) or (e) of this paragraph and shall further promptly notify the Trustee, the Bank and the Issuer of any final determination if the Borrower has contested under subparagraph (a), (b) or (c) of this paragraph. The Borrower shall be deemed to have been afforded the opportunity to contest the occurrence of a Determination of Taxability if it shall have been permitted to commence and maintain any action in the name of any current or holder or Beneficial Owner of a Bond to judgment and through any appeals therefrom or other proceedings related thereto.

“Eligible Funds” means moneys held by the Trustee which consist of any of the following:

(a) Moneys representing the proceeds from the remarketing by the Remarketing Agent of Bonds delivered for purchase pursuant to Section 205 or 206 hereof to any person other than the Borrower, the Issuer or any Insider of the Borrower or the Issuer, which in each case were at all times since their receipt by the Trustee held in a

separate and segregated account or accounts or sub-account or sub-accounts in which no moneys which were not Eligible Funds were at any time held;

(b) Amounts paid by the Bank to the Trustee under the Letter of Credit which were at all times since their receipt by the Trustee held in a separate and segregated account or accounts or sub-account or sub-accounts in which no moneys other than those drawn under the Letter of Credit were at any time held;

(c) Amounts deposited in the Bond Fund or the Bond Purchase Fund (other than the moneys described in clauses (a) and (b) above), or transferred into the Bond Fund from the Construction Fund, which in each case were at all times since their receipt by the Trustee held in a separate and segregated account or accounts or sub-account or sub-accounts within the Bond Fund or Bond Purchase Fund, as the case may be, in which no other moneys which were not Eligible Funds were at any time held, for at least 91 consecutive days prior to and during which no Act of Bankruptcy has occurred;

(d) Amounts derived from the investment of money described in clauses (a), (b), and (c) above; or

(e) moneys with respect to which the Trustee has received an unqualified opinion of nationally recognized counsel familiar with bankruptcy matters (which may assume that no Bondholder is an Insider of the Borrower or the Issuer) to the effect that the use of such moneys to pay the principal of, premium, if any, purchase price or interest on the Bonds would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code in the event of the filing of a petition thereunder by or against the Issuer or the Borrower.

Notwithstanding the foregoing, when used with respect to the payment of any amounts due in respect of Pledged Bonds, the term “Eligible Funds” shall mean any moneys held by the Trustee and the proceeds from the investment thereof, except for moneys realized under the Letter of Credit.

“Eligible Funds Account” means the account within the Bond Fund established pursuant to Section 401 of the Indenture.

“Event of Default” means any of the events specified in Section 601 hereof.

“Fixed Rate” means the interest rate on each Bond established pursuant to Section 203(c) hereof.

“Fixed Rate Period” means the period from and including the Conversion Date to and including the date of payment in full of the Bonds.

“Fixed Rate Tender Date” means the date which is one (1) Business Day prior to the Conversion Date.

“Government Obligations” means obligations of the United States, its agencies, or United States government sponsored enterprises, or obligations the payment of principal and interest on which is unconditionally guaranteed by the United States or its agencies.

“Government Obligations Funds” means funds which are composed solely of Government Obligations and repurchase agreements secured by Government Obligations.

“Indenture” means this Trust Indenture, as amended or supplemented from time to time as permitted hereby.

“Interest Payment Date” means (i) during the Variable Rate Period, the first Business Day of each month, commencing December 1, 2007, (ii) the Conversion Date, and (iii) following the Conversion Date, each May 1 and November 1.

“Insider” means an “insider” as defined in the United States Bankruptcy Reform Act of 1978, as amended from time to time, or any substitute or replacement legislation (the “Bankruptcy Code”).

“Issue Date” means the date on which the Bonds are delivered to the purchaser or purchasers thereof upon original issuance.

“Issuer” means the Town of Davie, Florida, a municipal corporation and political subdivision of the State of Florida, or any successor to its rights and obligations under the Loan Agreement and this Indenture.

“Letter of Credit” means the Original Letter of Credit or, upon acceptance by the Trustee of any Alternate Letter of Credit in accordance with Section 3.7 of the Loan Agreement, such Alternate Letter of Credit.

“Letter of Credit Account” means the account within the Bond Fund established pursuant to Section 401 of this Indenture.

“Letter of Representations” means the Blanket Issuer Letter of Representations between the Issuer and The Depository Trust Company, and any similar agreement with respect to a successor Depository.

“Liquidity Drawing” means a drawing under the Letter of Credit in accordance with the terms thereof to pay the Purchase Price of tendered Bonds.

“Loan Agreement” means the Loan Agreement dated as of November 1, 2007, between the Issuer and the Borrower, as the same may be amended or supplemented from time to time as permitted thereby.

“Loan Repayments” means all amounts required to be paid by the Borrower to the Issuer (and the Trustee as the assignee of the Issuer) pursuant to the Promissory Note and Section 3.2 of the Loan Agreement.

“Mandatory Tender Date” means any date on which the Bonds are required to be tendered for purchase in accordance with Section 206 hereof.

“Original Letter of Credit” means the letter of credit issued by the Bank to the Trustee on the Issue Date, which is scheduled to expire not later than November 15, 2012, including any amendment, reissuance, replacement, renewal or extension thereof.

“Outstanding,” when used with reference to the Bonds at any date as of which the amount of outstanding Bonds is to be determined, means all Bonds which have been authenticated and delivered by the Trustee hereunder, except:

- (a) Bonds cancelled or delivered for cancellation at or prior to such date;
- (b) Bonds deemed to be paid in accordance with Section 502 hereof;
- (c) Bonds in lieu of which others have been authenticated under Sections 212, 213 and 214 hereof;
- (d) Unsurrendered Bonds; and
- (e) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the holders of a specified percentage of Outstanding Bonds hereunder, all Bonds held by or for the account of the Issuer or the Borrower, except that for purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Trustee shall be obligated to consider as not being Outstanding only Bonds of which the Trustee has actual notice to be so held.

“Participants” means securities brokers and dealers, banks, trust companies and clearing corporations which participate in the Depository with respect to the Bonds.

“Permitted Investments” means any of the following which are not prohibited under applicable law:

- (a) Government Obligations;
- (b) Commercial paper issued by corporations that are organized and operating within the United States of America and that are rated at the time of purchase by Moody’s or S&P (i) “A-2” or “P-2” or higher if such commercial paper or variable rate demand notes have a maturity of seven days or less, and (ii) “A-1” or “P-1” if such commercial paper or variable rate demand notes have a maturity of greater than seven days;
- (c) Negotiable certificate of deposit issued by or deposit accounts with a nationally or state-chartered bank, including the Trustee or any affiliate thereof, or by a state-licensed branch of a foreign bank, provided that the senior debt issued by such bank

and/or its holding company shall be rated, at the time of investment, “Aa/AA” by Moody’s and S&P, respectively, and the commercial paper issued by such holding company or branch of a foreign bank shall be rated “P-1” and “A-1” by Moody’s and S&P, respectively;

(d) Bonds, notes or other obligations of any state, municipality or political subdivision, the interest on which is excluded from gross income for federal income tax purposes, which are rated “AA” or higher by Moody’s or S&P at the time of purchase;

(e) Repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected security interest in obligations described in paragraph (a) of this definition or obligations which are rated “Aaa” by Moody’s or “AAA” by S&P;

(f) Investments in or shares of any “regulated investment company” within the meaning of Section 851(a) of the Code, the assets of which are securities or investments described in (a) through (e) above, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services; and

(g) Both (A) Money market funds invested solely in Government Obligations described in paragraph (a) of this definition, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services, and (B) shares of money market mutual funds (including any money market fund for which the Trustee or any affiliate of the Trustee provides service for a fee) that invest only in Government Obligations described in paragraph (a) of this definition and repurchase agreements secured by such obligations.

“Person” means any natural person, firm, partnership, association, corporation, or public body.

“Pledged Bonds” means, at the time of determination thereof, any Bonds or beneficial interests in Bonds purchased by the Trustee with payments made under the Letter of Credit as described in Section 404 hereof and pledged to the Bank pursuant to the provisions of the Reimbursement Agreement.

“Project” means the refinancing of existing debt for Parkway Christian School in the Town of Davie, Florida, located at 1200 South Flamingo Road.

“Promissory Note” means the Promissory Note given by the Borrower pursuant to the Loan Agreement, in the form of attached Exhibit A to the Loan Agreement, as the same may be amended, modified or supplemented in accordance with the terms of the Loan Agreement.

“Proposed Conversion Date” means any date designated by the Borrower as the Conversion Date in accordance with Section 204 of this Indenture.

“Purchase Price” means 100% of the principal amount of the Bond or Bonds (or portions thereof in Authorized Denominations) to be purchased pursuant to the provisions of Sections 205 or 206 hereof plus accrued interest, if any, thereon to the purchase date.

“Rating Agency” means Moody’s Investors Service (“Moody’s”) or Standard & Poor’s Credit Market Services, a Division of McGraw Hill Companies, Inc. (“S&P”), or their successors and assigns, and, if both such corporations shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Rating Agency” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower with the approval of the Remarketing Agent, by notice to the Issuer, the Bank, the Trustee and the Remarketing Agent.

“Rebate Fund” means the fund created by Section 409 of this Indenture.

“Record Date” means with respect to each Interest Payment Date (i) on and prior to the Conversion Date, the Trustee’s close of business on the Business Day next preceding such Interest Payment Date, and (ii) after the Conversion Date, the Trustee’s close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date, regardless whether such day is a Business Day.

“Registered Owner” means the person or persons in whose name or names a Bond is registered on the registration books of the Issuer maintained by the Trustee for that purpose in accordance with the terms of this Indenture.

“Reimbursement Agreement” means with respect to each Letter of Credit, the agreement pursuant to which such Letter of Credit is issued, including all amendments thereof and supplements thereto, and initially shall mean the Reimbursement and Pledge Agreement, dated as of November 1, 2007, between the Bank and the Borrower as the same may be amended or supplemented from time to time.

“Remarketing Agent” means the Remarketing Agent appointed and serving in such capacity under Section 711 hereof and any successors thereto.

“Remarketing Agreement” means the Remarketing Agreement dated as of November 1, 2007, between the Borrower and the Remarketing Agent, as from time to time supplemented and amended, and, unless the context or use indicates another or different meaning or intent, any remarketing agreement between the Borrower and the Remarketing Agent, as from time to time supplemented and amended, which provides that it is a Remarketing Agreement for purposes of this Indenture.

“Replacement Bonds” means Bonds issued pursuant to Section 214 hereof.

“Resolution” means the Resolution adopted by the Issuer on November 7, 2007, authorizing and approving the issuance and sale of the Bonds pursuant to this Indenture.

“Security” means the revenues (including Loan Repayments), funds, rights and interests specified in Section 301 of this Indenture.

“Security Interest” or “security interests” refer to the security interests created herein and shall have the meanings set forth in the U.C.C.

“State” means the State of Florida.

“Stated Termination Date” means the date (as such date may be extended from time to time) on which the Letter of Credit is stated to expire or terminate in accordance with its terms other than by virtue of the replacement of such Letter of Credit with an Alternate Letter of Credit in accordance with the terms of Section 3.7 of the Loan Agreement.

“Surplus Bond Proceeds” means all moneys in the Construction Fund designated as such to the Trustee in a certificate signed by the Borrower and any moneys earned thereon remaining after the Trustee’s receipt of such certificate.

“Trustee” means The Bank of New York Trust Company, N.A., a national banking association, and any permitted successor trustee under Article VII of this Indenture.

“U.C.C.” means the Uniform Commercial Code of the State as now or hereafter amended, whether or not such code is applicable to the parties or the transaction.

“Underwriter” means Fifth Third Securities, Inc., its successors and assigns.

“Unsurrendered Bonds” means Bonds (or portions thereof in Authorized Denominations) which are not tendered as required under the provisions of Section 205 and Section 206 hereof, but for which there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price thereof and of all other Bonds (if any) tendered or deemed to be tendered for purchase on the date specified in Section 205 hereof or on a Mandatory Tender Date.

“Variable Rate” means the interest rate on each Bond established pursuant to Section 203(b) hereof.

“Variable Rate Period” means the period from and including the Issue Date to the earlier of (i) the Conversion Date or (ii) the day of payment in full of the Bonds.

(END OF ARTICLE I)

SECTION 19. ARTICLE II

A. THE BONDS

SECTION 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. Pursuant to the Resolution, the total principal amount of Bonds that may be issued and outstanding hereunder is expressly limited to \$2,500,000, subject to the provisions of Sections 212, 213 and 214.

SECTION 202. Issuance of Bonds. The Bonds (a) shall be designated the “Town of Davie, Florida Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project),” (b) shall be dated the Issue Date, (c) shall bear interest from the date thereof or such later date to which interest has been paid, until paid, at the rates set forth in Section 203 (computed on the basis of a 365/366-day year, as the case may be, on actual days elapsed prior to the Conversion Date and a 360-day year of twelve 30-day months thereafter), and (d) shall mature, unless sooner paid, on November 1, 2027.

The Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Bonds shall be numbered consecutively from R-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Trustee.

The principal of and the redemption premium, if any, and the interest on the Bonds shall be payable in lawful money of the United States of America. Subject to the provisions of Section 220 hereof, the principal of and redemption premium, if any, on the Bonds and the Purchase Price of the Bonds shall be payable at the designated corporate trust office of the Trustee; and the interest on the Bonds shall be paid by check or draft of the Trustee mailed to the Persons in whose names the Bonds are registered on the Bond Register at the close of business on the Record Date next preceding each Interest Payment Date; provided, however, (i) any registered holder of Bonds in the aggregate principal amount of \$1,000,000 or more as of the close of business on the Record Date preceding any Interest Payment Date may, by prior written instructions filed with the Trustee on or before the second Business Day preceding such Record Date (which instructions shall remain in effect until revoked by subsequent written instructions), instruct that interest payments for any period be made by wire transfer to any bank located in the continental United States, and (ii) interest accruing on any Pledged Bonds since the immediately prior Interest Payment Date shall be paid by the Trustee to the Bank pursuant to the terms of the Reimbursement Agreement.

If any payment of interest or principal or redemption premium on the Bonds is due on a date not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the date which is fixed for

such payment, and no interest shall accrue on such amount for the period after such due date.

The provisions of the Bonds shall control to the extent of any conflict with the provisions hereof.

SECTION 203. Interest Rates on Bonds.

(a) The Bonds shall bear interest as provided herein from the Issue Date to the date of payment in full of the Bonds. Interest accrued on the Bonds shall be paid on each Interest Payment Date. The interest rate on the Bonds will be determined as provided in this Section, provided that (i) the Variable Rate shall not exceed the lesser of 10% per annum or the maximum rate permitted by applicable law, and (ii) the Fixed Rate shall not exceed the maximum rate permitted by applicable law. Interest on the Bonds will be payable at the Variable Rate from the Issue Date until the earlier of the Conversion Date or the date of payment in full of the Bonds.

(b) During the Variable Rate Period, the Variable Rate shall be determined by the Remarketing Agent by 4:00 p.m. prevailing time at the Trustee's designated corporate trust office on each Thursday (or the immediately preceding Business Day if Thursday is not a Business Day) for the next Calendar Week and shall be the rate of interest which, if borne by the Bonds, would, in the judgment of the Remarketing Agent, having due regard to the prevailing financial market conditions for tax-exempt revenue bonds or other tax-exempt securities of the same general nature as the Bonds or tax-exempt securities which are comparable as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of the Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to remarket the Bonds at a price of par (exclusive of accrued interest, if any) at the time such interest rate is determined. The Variable Rate as so determined shall be uniform during each Calendar Week for all Bonds. If no Remarketing Agent is serving hereunder, or if for any reason the Remarketing Agent has not determined the Variable Rate on a Thursday (or immediately preceding Business Day if such Thursday is not a Business Day) for the next Calendar Week, the Variable Rate effective for any Bond for such Calendar Week shall be the Variable Rate most recently determined by the Remarketing Agent for such Bond as aforesaid.

(c) The Bonds shall bear interest at the Fixed Rate during the Fixed Rate Period. The Fixed Rate for the Bonds shall be determined by the Remarketing Agent on the Computation Date and shall be the rate determined by the Remarketing Agent on the Computation Date to be the rate which, if borne by the Bonds would, in the judgment of the Remarketing Agent having due regard to prevailing market conditions for tax-exempt revenue bonds or other tax-exempt securities comparable to the Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to remarket the Bonds tendered (or deemed to have been tendered) for purchase at a price of par (exclusive of accrued interest, if any) on the Computation Date; provided, however, that the Fixed Rate shall not exceed the maximum rate

permitted by applicable law. If for any reason the Remarketing Agent fails to determine the Fixed Rate by the close of business on the fifth Business Day preceding the Proposed Conversion Date, the Bonds shall continue to bear interest at the Variable Rate as described in Section 204(b) hereof. The Fixed Rate for the Bonds shall be set forth in a written notice of the Remarketing Agent sent to the Borrower, the Issuer, the Bank and the Trustee by the Remarketing Agent on the Computation Date.

(d) The determination of the Variable Rate or the Fixed Rate by the Remarketing Agent, shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Remarketing Agent and the Bondholders.

(e) In determining the interest rate that the Bonds shall bear as provided in this Section, neither the Remarketing Agent nor the Trustee shall have any liability to the Issuer, the Borrower, the Trustee or any Bondholder except for its gross negligence or willful misconduct.

(f) The Remarketing Agent shall give the Trustee, the Borrower and the Bank prompt telephonic notice by 2:00 p.m. prevailing time at the Trustee's designated corporate trust office on the date of determination confirmed in writing, of the Variable Rate for each Calendar Week as determined pursuant to Section 203(b) hereof. Any Bondholder may request the Variable Rate with respect to any Bond or Bonds from the Trustee or the Remarketing Agent. The Remarketing Agent shall calculate the amount of interest to be paid on each Interest Payment Date during the Variable Rate Period and the Trustee shall confirm such interest calculation. The Trustee shall notify the Borrower of the amount of interest to be paid on each Interest Payment Date during the Variable Rate Period as soon as practicable. If a Letter of Representations is in effect, the Trustee and the Remarketing Agent shall notify the Depository of the amount of interest to be paid on each Interest Payment Date in accordance with the Letter of Representations.

SECTION 204. Conversion of Interest Rate on Bonds.

(a) During the Variable Rate Period, the interest rate on the Bonds, at the option of the Borrower, shall be converted from the Variable Rate to the Fixed Rate, upon delivery by the Borrower to the Trustee, the Remarketing Agent, the Bank, the Issuer and the Rating Agency, if any:

(i) on any Business Day during the Variable Rate Period, of (A) a notice (the "Conversion Notice") stating that the Borrower intends to convert the interest rate on the Bonds to the Fixed Rate and specifying the Proposed Conversion Date, which date shall be a Business Day at least 45 days after the date on which the Trustee receives the Conversion Notice; (B) a written commitment from the Bank to amend the Letter of Credit then in effect or another bank to issue an Alternate Letter of Credit, in either case to be effective on the Proposed Conversion Date and meeting the requirements of Section 3.7(c) of the Loan Agreement; and (C) an opinion of Bond Counsel

stating that under the laws existing on the date of the Conversion Notice, the conversion of the interest rate on the Bonds to the Fixed Rate will not cause the interest on the Bonds to be included in gross income for federal income tax purposes; and

(ii) by 10:00 a.m. prevailing time at the Trustee's designated corporate trust office on the Business Day immediately preceding the Proposed Conversion Date, of (A) a supplemental opinion of Bond Counsel stating that under the laws existing on such date, (1) the conversion of the interest rate on the Bonds will not cause the interest on the Bonds to be included in gross income for federal income tax purposes and (2) the Fixed Rate does not exceed the maximum rate permitted by applicable law; (B) an amendment to the Letter of Credit then in effect or an Alternate Letter of Credit, in either case to be effective on the Proposed Conversion Date and meeting the requirements of Section 3.7(c) of the Loan Agreement; and (C) a continuing disclosure agreement imposing obligations upon the Borrower or any other responsible party to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, as it may from time to time be amended or supplemented, with respect to the Bonds, which agreement is in form and substance acceptable to the Trustee.

(b) If (i) the Trustee receives written notification from the Borrower by 10:00 a.m. prevailing time at the Trustee's designated corporate trust office on the Business Day immediately preceding the Proposed Conversion Date of its decision not to elect the conversion of the interest rate on the Bonds to the Fixed Rate on the Proposed Conversion Date, or (ii) the Borrower fails to satisfy the conditions of Section 204(a)(ii) by 10:00 a.m. prevailing time at the Trustee's designated corporate trust office on the Business Day immediately preceding the Proposed Conversion Date, or (iii) the Remarketing Agent fails to determine the Fixed Rate by the close of business on the fifth Business Day preceding the Proposed Conversion Date, the interest rate on the Bonds shall not be converted to the Fixed Rate on the Proposed Conversion Date. In such event, the Bonds shall bear interest for the remaining portion of the current interest rate period at the Variable Rate then in effect, or for an interest rate period at the Variable Rate in effect for the immediately preceding interest rate period, and will continue to remain outstanding in accordance with the terms of this Indenture as if no such election had been made by the Borrower to convert the interest rate borne by the Bonds to the Fixed Rate; provided, however, that the Bonds will continue to be subject to mandatory tender on the Proposed Conversion Date pursuant to Section 206 hereof. The Trustee shall promptly notify the Issuer

by mail (and shall immediately notify the Bank and the Remarketing Agent by telephone) in the event that the interest rate on the Bonds is not converted on the Conversion Date as provided herein.

(c) No conversion of the interest rate on the Bonds shall occur under this Section if at the time of such conversion an Event of Default has occurred hereunder and is continuing with respect to the Bonds.

(d) No Conversion Notice may be given if a Mandatory Tender Date has been established and is existing pursuant to Section 206.

(e) The Bonds shall not be subject to optional or mandatory tender for purchase as provided in Sections 205 and 206 after the Conversion Date.

SECTION 205. Purchase of Bonds at Option of Bondholder. The holder of any Bond shall have the right to tender such Bond to the Trustee as tender agent for purchase in whole or in part (in any Authorized Denomination) on any Business Day during the Variable Rate Period, but not thereafter, at a purchase price equal to 100% of the principal amount of Bonds (or portions thereof in Authorized Denominations) tendered plus accrued interest to the specified purchase date. In order to exercise such option with respect to any Bond or portion thereof, the holder thereof must give to the Trustee as tender agent at its designated corporate trust office by the opening of business at such office on a Business Day at least seven (7) days immediately preceding the proposed purchase date (i) telephonic notice of tender (which telephonic notice must be confirmed by written notice, which may be by facsimile transmission, of tender in the form provided in this Indenture or such other form acceptable to the Trustee received by the Trustee as tender agent on a Business Day not more than two (2) Business Days after such telephonic notice) or (ii) written notice, which may be by facsimile transmission, of tender to the Trustee as tender agent (which written notice of tender shall be in the form provided on such Bond or shall be in such other form acceptable to the Trustee). If the Bonds are in a book-entry only system, such notice of tender may be given, or caused to be given, by any Beneficial Owner of Bonds (through its Participant in the Depository) to the Trustee and delivery of Bonds shall be effected by causing such Participant to transfer its interest in the Bonds equal to such Beneficial Owner's interest on the records of the Depository to the participant account of the Trustee with the Depository. The Remarketing Agent shall ascertain

such information as it deems sufficient to verify the identity of such Beneficial Owners including the Participant in whose account such Beneficial Owner's Bonds are recorded and shall promptly confirm such notice telephonically to the Trustee as tender agent together with such Participant account information. Upon the delivery of such written notice of tender, such election to tender shall be irrevocable and binding upon the holder (or Beneficial Owner) thereof. At or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on the specified purchase date, the Registered Owner or Beneficial Owner of each Bond as to which such written notice of tender has been given shall deliver each Bond to be purchased as a whole or in part and an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on such Bond or in such other form acceptable to the Trustee) to the Trustee, as tender agent, at its designated corporate trust office, and any Bond which is not so tendered, but for which there has been irrevocably deposited in the Bond Purchase Fund moneys specified in Section 403(b) of this Indenture in an amount sufficient to pay the purchase price thereof and all other Bonds tendered or deemed tendered for purchase on such specified purchase date, shall be deemed to have been tendered by the holder thereof and purchased from such holder on the specified purchase date. If the Bonds are in a book-entry only system, the requirement for physical delivery of the Bonds in connection with a demand for purchase under this Section 205 shall be deemed satisfied when the ownership rights in the Bonds are transferred by Participants on the records of the Depository to the participant account of the Trustee. The Trustee shall, in its sole discretion, determine whether, with respect to any Bond, the Registered Owner or Beneficial Owner thereof has properly exercised the option to have his Bond purchased as a whole or in part.

If any such notice of tender for purchase shall have been given to the Trustee as tender agent pursuant to this Section 205, the Trustee as tender agent shall immediately give telephonic or telecopier notice, promptly confirmed by a written notice, to the Remarketing Agent, the Bank and the Borrower on the same date that the Trustee as tender agent receives notice of the tender for purchase, if possible, or on the immediately following Business Day, specifying the principal amount of Bonds as to which notice of tender for purchase has been given and the proposed date of purchase. On the specified purchase date, the Trustee as tender agent shall purchase, or cause to be purchased, all Bonds as to which written notices of tender for purchase have been received at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon. Funds for payment of the purchase price of Bonds tendered for purchase shall be withdrawn by the Trustee as tender agent from the Bond Purchase Fund as provided in Section 404 of this Indenture.

If there have been irrevocably deposited in the Bond Purchase Fund moneys specified in Section 403(b) of this Indenture in an amount sufficient to pay the purchase price of all Bonds tendered or deemed to be tendered for purchase on the specified purchase date, the holder of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after the specified purchase date and all such Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased pursuant to this Section 205 on such specified purchase date. The Trustee shall issue a new Bond or Bonds in the same aggregate principal amount of any Unsurrendered Bonds which are not tendered for purchase on any specified purchase date and, upon receipt of any such Unsurrendered Bonds from the holder thereof, the Trustee shall pay the purchase price of such Unsurrendered Bonds to the holders thereof and such Unsurrendered Bonds shall be cancelled as provided in Section 215 of this Indenture. If the Bonds are in a book-entry only system and Bonds are purchased pursuant to this Section 205, the Trustee shall instruct the Depository to record the transfers of the Bonds in its books for the accounts of the Participants purchasing the same.

SECTION 206. Mandatory Tender of Bonds. The Registered Owner of each Bond shall be required to tender such Bond to the Trustee as tender agent for purchase on (i) each Proposed Conversion Date and (ii) the Business Day which is two (2) Business Days prior to the date upon which an Alternate Letter of Credit is to be substituted for the Letter of Credit then in effect during the Variable Rate Period in accordance with the terms hereof and of the Loan Agreement (each a “Mandatory Tender Date”).

Notice of a mandatory tender shall be given by the Trustee by facsimile or registered or certified mail, return receipt requested, to the holders of all Bonds at their addresses appearing on the registration books of the Issuer maintained by the Trustee, not less than 30 nor more than 45 days prior to a Mandatory Tender Date. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the holders receive such notice. Such notice of mandatory tender shall (i) specify the Mandatory Tender Date and state that the Mandatory Tender Date is either a Proposed Conversion Date or the Business Day which is two (2) Business Days prior to the date on which the Letter of Credit will be substituted with an Alternate Letter of Credit (and a brief description thereof), and that the Trustee will therefore no longer be permitted to make drawings under the then existing Letter of Credit, (ii) if such Mandatory Tender Date is a Proposed Conversion Date, state that such conversion to the Fixed Rate will

not occur if the conditions described in Section 204(a)(ii) hereof are not satisfied but that such mandatory tender will still occur on the Proposed Conversion Date, and (iii) state that all Bonds shall be tendered by the holders thereof for purchase at or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on the Mandatory Tender Date to the Trustee as tender agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bonds or such other form acceptable to the Trustee as tender agent), and that such Bonds shall thereupon be purchased on the Mandatory Tender Date at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the Mandatory Tender Date and any such Bond which is not so tendered but for which there has been irrevocably deposited in the Bond Purchase Fund moneys specified in Section 403(b) in an amount sufficient to pay the purchase price thereof and of all other Bonds so tendered and deemed to be tendered for purchase on the Mandatory Tender Date shall be deemed to have been tendered for purchase by the holder thereof and purchased from such holder on the Mandatory Tender Date.

All Bonds shall be tendered by the holders thereof to the Trustee as tender agent for purchase at or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on a Mandatory Tender Date, by delivering such Bonds to the Trustee as tender agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bonds or such other form acceptable to the Trustee). If the Bonds are in a book-entry only system, a Beneficial Owner of Bonds shall effect delivery of Bonds in accordance with this Section 206 by causing its Participant in the Depository to transfer its interest in the Bonds (equal to such Beneficial Owner's interest) on the records of the Depository to the participant account of the Trustee with the Depository and the requirement for physical delivery of Bonds hereunder shall be deemed satisfied when the ownership rights in the Bonds are transferred by Participants on the records of the Depository. On such Mandatory Tender Date the Trustee as tender agent shall purchase, or cause to be purchased, all Bonds at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the purchase date. Funds for payment of the purchase price of such Bonds shall be withdrawn by the Trustee from the Bond Purchase Fund as provided in Section 404 of this Indenture.

If there have been irrevocably deposited in the Bond Purchase Fund moneys specified in Section 403(b) in an amount sufficient to pay the purchase price of all Bonds tendered or deemed tendered for purchase on a

Mandatory Tender Date, the holder of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after such Mandatory Tender Date, and all such Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased pursuant to this Section 206 on such Mandatory Tender Date. The Trustee shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any Mandatory Tender Date and, upon receipt of any such Unsurrendered Bonds from the holders thereof, the Trustee shall pay the purchase price of such Unsurrendered Bonds to the holders thereof and such Unsurrendered Bonds shall be cancelled as provided in Section 215 of this Indenture. If the Bonds are in a book-entry only system and Bonds are purchased pursuant to this Section 206, the Trustee shall instruct the Depository to record the transfer of the Bonds in its books for the accounts of the Participants purchasing the same.

SECTION 207. Procedures for Remarketing of Bonds. Unless otherwise directed by the Borrower in writing not to do so, the Remarketing Agent will use its best efforts to remarket all Bonds tendered or deemed to be tendered for purchase pursuant to Section 205 or 206 hereof and, subject to the next sentence hereof, to remarket all Bonds held by the Trustee as tender agent pursuant to Section 404 hereof at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon; provided, however, that the Remarketing Agent shall first select for remarketing any Pledged Bonds. The Remarketing Agent may not remarket any Bonds (other than Pledged Bonds) to the Borrower, the Issuer or any Insider thereof known to it while the Letter of Credit is in effect. Subject to receipt of the written consent of the Bank, the Borrower may at any time, upon written direction to the Remarketing Agent, direct the Remarketing Agent to cease or to resume the remarketing of some or all of the Bonds. Notwithstanding any provision herein to the contrary, the Remarketing Agent shall be under no obligation to remarket Bonds if an Event of Default has occurred and is continuing hereunder and all Bonds tendered for purchase pursuant to Section 205 or 206 hereof may only be offered and sold by the Remarketing Agent at a price equal to the principal amount thereof plus accrued interest, if any, thereon.

At or prior to 3:00 p.m., prevailing time at the Trustee's designated corporate trust office, on the Second Business Day immediately preceding the applicable purchase date, the Remarketing Agent shall give telephonic or telecopier notice, promptly confirmed in writing, to the Trustee and the Borrower (to be received by the Trustee by the close of business on such day), specifying or confirming (if the Bonds are not in a book-entry only system) the names, addresses and taxpayer identification numbers of the new

Registered Owners of, and the principal amount and denominations of, such Bonds, if any, remarketed by it pursuant to this Section 207. Such notice shall also specify the principal amount of Bonds to be purchased on such purchase date which it has failed to remarket (if any) and the amount of accrued interest, if any, on such Bonds, and the Trustee shall take action to realize moneys under the Letter of Credit for any such Bonds which the Remarketing Agent has failed to remarket as hereinafter provided. If the Bonds are in a book-entry only system, the Trustee shall notify the Depository of the transfer instructions (i.e., the names of the tendering Participants and the principal amount of Bonds tendered by each such Participant and the names of the purchasing Participants and the principal amount of Bonds purchased by each such purchasing Participant). The Remarketing Agent shall make appropriate settlement arrangements for the purchase of Bonds which have been remarketed pursuant to this Section 207 between the purchasers of such remarketed Bonds and the Trustee as tender agent, and shall direct such purchasers by appropriate instructions to pay all moneys for the purchase price of the Bonds which have been remarketed pursuant to this Section 207 to the Trustee for deposit in the Bond Purchase Fund pursuant to Section 403 hereof at or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on the purchase date. The Trustee as tender agent shall deposit the proceeds of any such remarketing in the Bond Purchase Fund pursuant to Section 403 hereof, and the Trustee as tender agent shall hold and disburse such moneys pursuant to this Section 207 and Section 404 hereof. The Trustee is required by Sections 309(a)(ii) and 404(c) hereof to take action under the Letter of Credit to realize moneys thereunder to enable the Trustee to make timely payment of the purchase prices of Bonds not remarketed by the Remarketing Agent and the Borrower is required by Section 3.4 of the Loan Agreement to pay to the Trustee amounts sufficient and at such times as to enable the Trustee to make timely payment of the purchase prices of such Bonds, but only if the Bank dishonors a draw for such purpose.

At or before 2:00 p.m., prevailing time at the Trustee's designated corporate trust office, on each purchase date, the Trustee, but only to the extent it shall have received money for such purpose, shall:

(a) If the Bonds are not in a book-entry only system, pay the Purchase Price to each holder of a Bond (or portion thereof) tendered for purchase in federal or other immediately available funds, or by wire transfer to the Registered Owners thereof in the event that the Registered Owner of the aggregate principal amount of Bonds has given written notice to the Trustee directing the Trustee to make such payment of Purchase Price by wire transfer and identifying the location and the number of the account to

which such payment should be wired. If the Bonds are in a book-entry only system, the Trustee shall transfer to the Depository the amount directed by the Remarketing Agent as representing the Purchase Price of the Bonds tendered or deemed tendered in accordance with Sections 205 and 206 hereof. The Trustee shall pay each such Purchase Price from moneys on deposit in the Bond Purchase Fund in the manner set forth in Section 404 hereof; provided, that the Trustee shall not pay or wire transfer the Purchase Price of any Unsurrendered Bond unless and until the holder of such Unsurrendered Bond presents such Unsurrendered Bond, together with an instrument of assignment or transfer duly executed in blank, to the Trustee; and

(b) if the Bonds are not in a book-entry only system, redeliver or cancel all such Bonds in accordance with this Section 207 and Section 404 hereof.

Notwithstanding any provision herein contained to the contrary, any Bond remarketed by the Remarketing Agent which has been called for prior redemption shall be redelivered with a copy of the redemption notice and any Bond as to which notice of mandatory tender has been given pursuant to Section 206 hereof shall be redelivered with a copy of the notice of mandatory tender.

SECTION 208. Execution; Limited Obligation.

(a) The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of its Mayor, shall be attested with the manual or facsimile signature of its Town Clerk and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any official of the Issuer whose signature or facsimile signature shall appear on the Bonds shall cease to be such official before the delivery of such Bonds, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Bonds may be signed on behalf of the Issuer by such persons who, at the time of the execution of such Bonds, are duly authorized or hold the appropriate office of the Issuer, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

(b) The Bonds, together with interest thereon and redemption premium with respect thereto, are special, limited obligations of the Issuer secured by the Loan Agreement and the Promissory Note and payments made under the Letter of Credit, are and shall always be payable solely from the revenues and income derived from the Loan Agreement and the Promissory Note and payments made under the Letter of Credit (except to the extent paid out of moneys attributable to proceeds of the Bonds or the income from the temporary investment thereof), are and shall always be a valid claim of the holders thereof only against the revenues and income derived from the Loan Agreement and the Promissory Note and from other instruments assigned to or held by the Trustee, which revenues and income shall be used for no other purpose than to pay (or to reimburse the Bank for the payment of) the principal installments of, redemption premium, if any, and interest on the Bonds, except as may be expressly authorized otherwise in this Indenture or the Loan Agreement. The Bonds and the obligation to pay interest thereon and redemption premiums with respect thereto do not now and shall never constitute an indebtedness or an obligation of the Issuer, the State of Florida or any political subdivision thereof, within the purview of any constitutional limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured by the Security, and shall be payable solely from the revenues and income derived from the Loan Agreement and the Promissory Note and payments made under the Letter of Credit. No owner of the Bonds shall have the right to compel the exercise of the taxing power, if any, of the Issuer, the State of Florida or any political subdivision thereof to pay any principal installment of, premium, if any, or interest on the Bonds.

SECTION 209. Certificate of Authentication. No Bonds shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication, substantially in the form as set forth in the forms of Bond attached hereto as Exhibits A and B, executed by the Trustee; and such certificate on any Bond issued by the Issuer shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

SECTION 210. Form of Bonds.

(a) Prior to the Conversion Date, the Bonds, the Trustee's

certificate of authentication and the form of assignment shall be in substantially the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby or are required by law and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistently herewith, be determined by the officers executing such Bonds, as evidenced by their execution of the Bonds.

(b) The Bonds shall be in either typewritten or printed form, as the Borrower with the consent of the Remarketing Agent shall direct, on behalf of the Issuer, provided that any expenses incurred in connection therewith shall be paid by the Borrower.

(c) On and after the Conversion Date, Bonds authenticated and delivered hereunder, and the Trustee's certificate of authentication and the form of assignment, shall be in substantially the form of the Bond set forth in Exhibit B attached hereto, with such changes as permitted in paragraph (a) of this Section.

SECTION 211. Delivery of Bonds. Upon the execution and delivery hereof, the Issuer shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to such purchaser or purchasers as shall be directed by the Issuer as hereinafter in this Section provided.

Prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee, there shall be filed with the Trustee:

(a) A copy, certified by an authorized officer of the Issuer, of all resolutions adopted and proceedings had by the Issuer authorizing the issuance of the Bonds, including the Resolution;

(b) An original executed counterpart of this Indenture, the Loan Agreement, the Reimbursement Agreement, the Bond Purchase Agreement,

the Remarketing Agreement, the Letter of Representations and the original executed Promissory Note;

(c) The executed Original Letter of Credit;

(d) An original executed counterpart of the tax compliance certificate of the Borrower relating to the Bonds dated the Issue Date, in form and substance satisfactory to Bond Counsel;

(e) Closing certificates of the Borrower, the Issuer and the Bank in form and substance satisfactory to Bond Counsel and the Counsel to the Issuer;

(f) A copy of completed IRS Form 8038 to be filed by or on behalf of the Issuer pursuant to Section 149(e) of the Code;

(g) An original executed counterpart of the nonarbitrage certificate of the Issuer establishing its reasonable expectations to the effect that the Bonds will not be “arbitrage bonds” within the meaning of Section 148(a) of the Code;

(h) An opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that the interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes (other than any interest which may be includable as a preference item or adjustment item in computing any minimum tax) and that this Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and are valid and binding agreements of the Issuer;

(i) An opinion of Counsel for the Borrower addressed to the Issuer and the Trustee to the effect that the Loan Agreement, the Promissory Note, the Reimbursement Agreement and the Bond Purchase Agreement have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding agreements of the Borrower, together with such

additional matters as may be requested by Bond Counsel or Counsel to the Issuer;

(j) An opinion of Counsel for the Bank addressed to the Issuer and the Trustee to the effect that the Letter of Credit has been duly executed and delivered by the Bank and is a legal, valid and binding obligation of the Bank, together with such additional matters as may be requested by Bond Counsel or Counsel to the Issuer;

(k) A request and authorization to the Trustee on behalf of the Issuer and signed by a member or authorized officer of the Issuer directing the Trustee to authenticate and deliver the Bonds in such specified denominations as permitted herein to the Underwriter upon payment to the Trustee, but for the account of the Issuer, of a specified sum of money; and

(l) Such other documents, opinions of Counsel and certificates as the Trustee may require.

Upon receipt of the foregoing, the Trustee shall authenticate and deliver the Bonds as provided above.

SECTION 212. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Bond of the same maturity, interest rate, principal amount and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer and the Trustee evidence satisfactory to each of them of the ownership of such Bond and of such loss, theft or destruction, together with indemnity satisfactory to the Trustee and the Issuer and compliance with such other reasonable requirements as the Issuer and Trustee may prescribe. If any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the holder of such Bond with their reasonable fees and expenses in this connection.

SECTION 213. Exchangeability and Transfer of Bonds; Persons Treated as Owners. The Issuer shall cause the Bond Register to be kept by the Trustee, which is hereby constituted and appointed the bond registrar for the Bonds.

Any holder of a Bond, in person or by his duly authorized attorney, may transfer title to his Bond on the Bond Register, upon surrender thereof at the designated corporate trust office of the Trustee, together with a written instrument of transfer (in substantially the form of assignment attached to the Bond) executed by the holder or his duly authorized attorney. Upon surrender for registration of transfer of any Bond, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same aggregate principal amount and tenor as the Bond surrendered and of any Authorized Denomination.

Bonds may be exchanged upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the Bondholder or his attorney duly authorized in writing, for an equal aggregate principal amount of Bonds of the same aggregate principal amount and tenor as the Bonds being exchanged and of any Authorized Denomination. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

Such registrations of transfers or exchanges of Bonds shall be without charge to the holders of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange shall be paid by the Borrower.

The Trustee shall not register any transfer of any Bond (or portion thereof) after notice calling such Bond (or portion thereof) for redemption or partial redemption has been given unless the holder delivers to the Trustee a written statement acknowledging that such Bond has been called for

redemption and the date of such redemption.

The Person in whose name any Bond is registered on the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, except that payment of or on account of either principal, premium, if any, or interest shall be made only to or upon the order of the holder of record as of the Record Date or its duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

So long as the Bonds are held in book-entry form as described in Section 220 hereof, the Issuer shall execute and the Trustee shall authenticate a Bond to be held by the Depository, which (i) shall be denominated in an amount equal to the aggregate principal amount of Bonds to be held by the Depository (provided that, unless such Bond is being issued on the Issue Date, the Trustee has received a like aggregate principal amount of Bonds for transfer in accordance with this Section 213), (ii) shall be registered in the name of the Depository or its nominee in accordance with this Section 213, (iii) shall be delivered by the Trustee to the Depository or pursuant to the Depository's instructions, and (iv) shall bear a legend substantially to the effect that unless the Bond is presented by an authorized representative of the Depository to the Issuer or its agent for registration of transfer, exchange or payment, any transfer, exchange, pledge or other use for value or otherwise is wrongful.

All Bonds issued upon any transfer or exchange of Bonds shall be valid and binding limited obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

In executing any Bond upon any exchange or transfer provided for in this Section, the Issuer may rely conclusively on a representation of the Trustee that such execution is required.

SECTION 214. Replacement Bonds. The Issuer shall execute and the Trustee shall authenticate and deliver Replacement Bonds to replace (i) Bonds outstanding upon conversion of the interest rate on the Bonds to the

Fixed Rate pursuant to Section 204, in which case such Replacement Bonds shall be in substantially the form of Bond attached hereto as Exhibit B, and (ii) Bonds tendered for purchase pursuant to Section 205 or Section 206 hereof, in which case such Replacement Bonds shall be in substantially the form of Bond attached hereto as Exhibit A and containing such terms and provisions as are applicable to the Bonds following the purchase date and having excised therefrom the terms and provisions which are not so applicable. Any such Replacement Bond shall be executed and authenticated as provided in this Indenture. The Borrower shall bear all expenses in connection with the preparation and delivery of the Replacement Bonds.

SECTION 215. Cancellation. All Bonds which have been surrendered pursuant to Section 212, 213 or 214 of this Indenture or for the purpose of purchase upon tender as provided herein, payment upon maturity or redemption prior to maturity shall be cancelled by the Trustee. All Unsurrendered Bonds shall be deemed cancelled.

SECTION 216. Ratably Secured. All Bonds, except for Unsurrendered Bonds, issued hereunder are and are to be, to the extent provided in this Indenture, equally and ratably secured by this Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity of the Bonds so that, subject as aforesaid, all Bonds at any time outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or some future date. Notwithstanding the foregoing, Pledged Bonds shall not be entitled to any benefit of the Letter of Credit.

SECTION 217. Redemption of Bonds. The Bonds shall be subject to redemption prior to maturity as follows:

(a) **Optional Redemption.** On or prior to the Conversion Date, the Bonds are subject to redemption prior to maturity, at the option of the Borrower, but subject to the receipt by the Trustee of the written consent of the Bank, at any time upon the giving of notice pursuant to Section 219 hereof, in whole or in part in Authorized Denominations, at the redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

After the Conversion Date, the Bonds are subject to redemption prior to maturity, at the option of the Borrower, but subject to the receipt by the Trustee of the written consent of the Bank, in whole at any time or in part in Authorized Denominations on any Interest Payment Date for which notice can be given pursuant to Section 219 hereof, as hereinafter set forth. If, on the Conversion Date, the Fixed Rate Period is of a length which falls within one of the entries in the Fixed Rate Period column below, the Bonds shall not be subject to redemption for the number of years after the Conversion Date shown in the No-Call Period column below. On and after the Interest Payment Date which ends the no-call period (or the next Interest Payment Date if the no-call period does not end on an Interest Payment Date), the Bonds may be redeemed in whole at any time or in part on any Interest Payment Date in Authorized Denominations at the percentage of their principal amount shown in the Initial Redemption Price column below. The premium shall decline on each anniversary of such Interest Payment Date by one-half of one percentage point until the Bonds are redeemable without premium in the year indicated in the No-Premium column below and for any later years in the Fixed Rate Period.

Fixed Rate Period

Equal to or <u>greater than</u>	<u>but less than</u>	<u>No- Call Period</u>	<u>Initial Redemption Price</u>	<u>No- Premium</u>
12 years	15 years	6 years	101	9 th year
10 years	12 years	5 years	101	8 th year
8 years	10 years	3 years	101	6 th year

If the Fixed Rate Period is greater than two years but less than eight years, the Bonds shall be redeemable at 100% of their principal amount in the final year, 100-1/2% during the next-to-last year, and nonredeemable prior to that. If the Fixed Rate Period is equal to or less than two years, the Bonds shall be redeemable in the final year only at 100% of their principal amount.

The premiums described in this Section 217(a) may be revised to those set forth in a written notice of the Underwriter delivered to the Issuer, the Borrower and the Trustee

prior to the Conversion Date if in the opinion of the Underwriter such revisions more accurately reflect then current market conditions. Such notice shall be accompanied by an opinion of Bond Counsel to the effect that such revisions would not adversely affect the validity of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes under the Code.

(b) Mandatory Redemption. The Bonds shall be called for redemption in the event (i) insurance or condemnation proceeds are deposited in the Bond Fund pursuant to Article VII of the Loan Agreement or (ii) of a Determination of Taxability. If called for redemption pursuant to (i) above, the Bonds shall be subject to redemption to the extent of such insurance or condemnation proceeds deposited in the Bond Fund at any time upon the giving of notice pursuant to Section 219 hereof at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. If called pursuant to (ii) above, the Bonds shall be subject to redemption by the Issuer in whole at the earliest practicable date for which notice can be given pursuant to Section 219 hereof at a redemption price equal to 100% of the aggregate principal amount of Bonds outstanding plus accrued interest to the redemption date.

(c) [Reserved].

(d) Special Mandatory Redemption Upon Expiration of Letter of Credit. In the event that, at least 60 days prior to the Stated Termination Date of the Letter of Credit then in effect, the Trustee has not been provided with an extension of such Letter of Credit or an Alternate Letter of Credit for the applicable period required by Section 3.7 of the Loan Agreement, then the Bonds will be called for special mandatory redemption on the interest payment date next preceding the Stated Termination Date of the then existing Letter of Credit at a redemption price determined as follows: (a) during the Variable Rate Period, the redemption price shall be 100% of the principal amount thereof plus accrued interest to the redemption date; and (b) during the Fixed Rate Period, the redemption price shall be the lesser of (i) 102% of the principal amount thereof plus accrued interest to the redemption date, or (ii) the redemption price which would apply as of the redemption date if the Bonds were optionally redeemed pursuant to Section 217(a).

During the Variable Rate Period, the Borrower shall have the right to purchase in lieu of redemption all or a portion of the Bonds to be redeemed pursuant to this Section 217(d) by delivering to the Trustee on or prior to the redemption date (a) (i) an Alternate Letter of Credit and all opinions as required by Section 3.7 of the Loan Agreement or (ii) an extension of the Letter of Credit then in effect for the applicable period required by Section 3.7 of the Loan Agreement, and (b) a written notice specifying the principal amount of Bonds to be so purchased. As and when Bonds to be so purchased by the Borrower are delivered to the Trustee, the Trustee shall pay the purchase price for such Bonds (which shall be equal to the scheduled redemption price) from moneys drawn under the Letter of Credit and shall hold such Bonds as Pledged Bonds until such time as such Bonds are remarketed by the Remarketing Agent pursuant to Section 207 of this Indenture; provided that if such funds are on deposit with the Trustee to pay the Purchase Price of such Bonds on the date fixed for redemption, Bonds to be so purchased by the

Borrower which are not delivered to the Trustee on such date shall nonetheless be deemed to have been tendered for purchase of and to have been purchased by the Borrower, which shall thereafter be the owner of such Bonds for all purposes. Bonds so purchased by the Borrower shall not be cancelled on the scheduled redemption date but shall be treated as if tendered for purchase pursuant to Section 206 of this Indenture.

SECTION 218. Partial Redemption of Bonds. If less than all the Outstanding Bonds are called for redemption, the Trustee shall select, or arrange for the selection of, the Bonds to be redeemed by lot, in such manner as it shall in its discretion determine; provided that any such Bonds selected for redemption shall be in Authorized Denominations. Notwithstanding the foregoing, Pledged Bonds and Borrower Bonds, in that order, shall be first selected by the Trustee for redemption before any others are selected for redemption. If less than the principal amount of a Bond is called for redemption, the Issuer shall execute and the Trustee shall authenticate and deliver, upon surrender of such Bond, without charge to the holder thereof, in exchange for the unredeemed principal amount of such Bond, at the option of such holder, Bonds in any of the Authorized Denominations.

SECTION 219. Notice of Redemption. Upon receipt by the Trustee of a written direction from the Borrower stating that it intends to exercise its option to prepay the Loan Repayments under the Loan Agreement and thereby effect redemption of the Bonds, which notice must be received by the Trustee at least 45 days (or a lesser period acceptable to the Trustee) prior to the date on which the Bonds shall be redeemed (except for sinking fund redemptions, a special mandatory redemption upon expiration of the Letter of Credit, or a mandatory redemption upon a Determination of Taxability, which shall not require any such notice to the Trustee), notice of redemption shall be mailed by the Trustee by first class mail at least 30 days but not more than 45 days before the redemption date to the Registered Owner of each Bond to be redeemed in whole or in part at its last address appearing on the Bond Register and the Rating Agency, if the Bonds are then rated; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond, or portion thereof with respect to which no such failure or defect has occurred. In addition, the Trustee may give such other notice or notices as may be recommended in releases, letters, pronouncements or other writings of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. No defect in or delay or failure in giving any recommended notice described in the preceding sentence shall in any manner affect the notice of redemption described in the first sentence of this Section 219. Any notice mailed as provided in this Section 219 shall be conclusively presumed to have been duly given, whether or not the Bondholder receives the notice.

All notices of redemption shall state:

- (a) the redemption date,
- (b) the redemption price,

(c) the identification, including complete designation and issue date of the series of Bonds of which such Bonds are a part and the CUSIP number (and in the case of partial redemption, the respective principal amounts), interest rate and maturity date of the Bonds to be redeemed,

(d) that on the redemption date the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after such date; and

(e) the name and address of the Trustee for such Bonds, including the name and telephone number of a contact person and the place where such Bonds are to be surrendered for payment of the redemption price.

All Bonds so called for redemption will cease to bear interest on the specified date set for redemption, provided moneys constituting a draw under the Letter of Credit for their redemption have been duly deposited with the Trustee. Thereafter, the holders of such Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Trustee and a new Bond for any portion not redeemed.

SECTION 220. Book-Entry Only Registration of the Bonds.

(a) Except as provided in subparagraph (c) of this Section 220, the Registered Owner of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. (“Cede”), as nominee of the Depository. Payment of interest on any Bond, as applicable, shall be made in accordance herewith for the account of Cede on each Interest Payment Date at the address indicated for Cede in the Bond Register.

(b) The Bonds shall be initially issued in the form of a single fully registered Bond in the aggregate principal amount of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered on the Bond Register in the name of Cede, as nominee of the Depository. With respect to the Bonds so registered in the name of Cede, the Issuer, the Borrower, the Bank and the Trustee, shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, Cede or any Depository participant or any nominee of a Beneficial Owner with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Depository participant, Beneficial Owner or other person, other than the Depository, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Depository participant, Beneficial Owner or other person, other than Cede, as nominee of the Depository, of any amount with respect to the principal, purchase price or redemption price of, or interest on, the Bonds. The Issuer, the Borrower, the Bank and the Trustee may treat and deem Cede, as nominee of the Depository, as the absolute owner of each Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal, purchase price or redemption price of, and interest on, each such Bond, (ii) giving notices of redemption and other matters with respect to such Bonds and (iii) registering transfers with respect to such Bonds. The Trustee shall pay the principal,

purchase price or redemption price of, and interest on, all Bonds only to or upon the order of Cede, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to such principal, purchase price, redemption price and interest, to the extent of the sum or sums so paid. So long as the Bonds are book-entry-only, no person other than the Depository shall receive a Bond evidencing the obligation of the Issuer to make payments of principal of and interest on, the Bonds pursuant to the Indenture. Upon delivery by the Depository to the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Indenture, the word "Cede" herein shall refer to such new nominee of the Depository; provided that, notwithstanding any provision of the Indenture to the contrary, until the termination of the book-entry-only system, the Bonds may be transferred in whole, but not in part, only to a nominee of the Depository, or by a nominee of the Depository to the Depository or any nominee thereof.

(c) (i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving not less than 30 days' prior written notice to the Issuer, the Borrower and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Issuer, at the sole discretion and direction of the Borrower and without the consent of any other person, may terminate the services of the Depository with respect to the Bonds if the Borrower determines that the continuation of the system of book-entry-only transfer through the Depository is not in the best interests of the Beneficial Owners of the Bonds or is burdensome to the Issuer or the Borrower.

(iii) Upon the termination of the services of the Depository with respect to the Bonds pursuant to subsection (c)(i) or (ii) hereof, the Bonds shall no longer be restricted to being registered on the Bond Register in the name of Cede as nominee of the Depository. In such event, the Issuer shall issue and the Trustee shall transfer and exchange Bond certificates of like principal amount, in Authorized Denominations to the Depository participants or the identifiable Beneficial Owners (as identified by the Depository or the Depository participants) in replacement of such Beneficial Owners' beneficial interests in the Bonds. Notwithstanding the preceding sentence, if the Borrower designates a successor Depository, the Issuer shall issue and the Trustee shall transfer and exchange a Bond certificate, in such name as is directed by the successor Depository, in the amount of Bonds then Outstanding and the Trustee shall take such other action as is necessary so that the beneficial ownership interests of the Beneficial Owners are properly reflected on the records of the successor Depository and its participants. In such event, references

herein to “Cede” shall be deemed to refer to the successor Depository, or its nominee, as the context requires.

(d) The Issuer, the Trustee and the Remarketing Agent may conclusively rely on (i) a certificate of the Depository as to the identity of the participants in the book-entry system, and (ii) a certificate of such participants as to the identity of, and the respective principal amounts of Bonds beneficially owned by, the Beneficial Owners.

(e) Whenever, during the term of the Bonds, Beneficial Ownership thereof is determined by a book entry at the Depository, the requirements in this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Depository as to registering or transferring the book entry to produce the same effect.

(f) Notwithstanding anything in this Indenture to the contrary, the Issuer and the Trustee hereby agree as follows with respect to the Bonds, if and to the extent any Bond is registered in the name of Cede as nominee of the Depository: (i) the Trustee shall give the Depository all special notices required by the Letter of Representations at the times, in the forms and by the means required by the Letter of Representations; (ii) the Trustee shall make payments to Cede at the times and by the means specified in the Letter of Representations; (iii) Cede shall not be required to surrender Bonds which have been partially paid or prepaid to the extent permitted by the Letter of Representations; and (iv) the Trustee shall set a special record date (and shall notify the registered owners of the Bonds thereof in writing) prior to soliciting any Bondholder consent or vote, such notice to be given not less than 15 calendar days prior to such record date (any Bond transferred by a registered owner subsequent to the establishment of the special record date and prior to obtaining such consent or vote shall have attached to it a copy of the notice to Bondholders by the Trustee).

SECTION 221. CUSIP Numbers. All payments of principal, premium and interest, whether by check or draft or wire transfer, shall be accompanied by the appropriate CUSIP number identification with appropriate dollar amounts for each CUSIP number.

(END OF ARTICLE II)

SECTION 20. ARTICLE III

A. SECURITY

SECTION 301. Security. The Bonds and the interest and any premium thereon shall be a special, limited obligation of the Issuer as provided in Section 208 hereof, and shall be secured by and payable only from the following:

(a) all Loan Repayments received by the Issuer under the Loan Agreement, which Loan Repayments shall include amounts drawn under the Letter of Credit for the payment of the principal, premium, if any, and interest due on the Bonds and the Purchase Price of the Bonds;

(b) all moneys in the Bond Fund and the Construction Fund, including the proceeds of the Bonds pending disbursement thereof;

(c) all of the Issuer's rights and interest in the Promissory Note;

(d) all of the Issuer's rights and interest in the Loan Agreement, except the right to make all determinations and approvals and receive all notices accorded to it under the Loan Agreement and to enforce in its name and for its own benefit the provisions in Sections 3.5, 8.6 and 10.4 of the Loan Agreement with respect to Issuer fees and expenses, and indemnity payments as the interests of the Issuer and related persons shall appear; and

(e) all of the proceeds of the foregoing, including without limitation investments thereof.

The foregoing are collectively the "Security." In consideration of the purchase of the Bonds and to secure payment of the principal of, premium, if any, and interest on the Bonds and any other cost or pecuniary liability of the Issuer relating to the Bonds or any proceeding, document or certification incidental to the issuance of the Bonds, and to secure performance and observance of all covenants, terms and conditions upon which the Bonds are to be issued, including without limitation this Indenture, the Issuer, without warranty, pursuant to law hereby conveys, assigns and pledges all of its right, title and interest in, and grants a security interest in, the Security to the Trustee, and its successors and assigns, in trust for the benefit of the Bondholders and for the benefit of the Bank pursuant to the Reimbursement Agreement, and their successors and assigns. The Security shall not include any moneys held in the Bond Purchase Fund or the Rebate Fund.

SECTION 302. Payment of Bonds and Performance of Covenants. The Issuer shall promptly pay, but only out of the Security, the principal of, premium, if any, and interest on the Bonds at the place, on the dates and in the manner provided in the Bonds. The Issuer shall promptly perform and observe all covenants, undertakings and

obligations set forth herein, in the Loan Agreement or the Bonds on its part to be performed or observed. The Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce against the Borrower or any Person any rights of the Issuer under or arising from the Bonds or the Loan Agreement whether or not the Issuer is in default hereunder or under the Loan Agreement, but the Trustee shall not be deemed to have hereby assumed the obligations of the Issuer under the Loan Agreement, but rather shall have no obligations under the Loan Agreement except as specifically provided therein. The Issuer shall fully cooperate with the Trustee in the enforcement by the Trustee of any such rights. At the request of the Trustee, the Issuer, upon being reasonably indemnified, shall in its name commence legal action or take such other actions as the Trustee shall reasonably request to enforce the rights of the Issuer or the Trustee under or arising from the Bonds or the Loan Agreement.

SECTION 303. Authority. The Issuer represents and warrants that (i) it is duly authorized under the Constitution and laws of the State to issue the Bonds, and to execute, deliver and perform the terms of the Loan Agreement and this Indenture; (ii) all action on its part for the issuance of the Bonds and execution and delivery of the Loan Agreement and this Indenture have been duly taken; (iii) the Bonds upon issuance and authentication, and the Loan Agreement and this Indenture upon delivery, shall be valid and enforceable against the Issuer in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights and by general principles of equity; (iv) it has not heretofore conveyed, assigned, pledged, granted a security interest in or otherwise disposed of the Security; (v) it has not received any payments under the Promissory Note and the entire principal balance remains outstanding; (vi) it has no knowledge of any right of set-off, defense or counterclaim to payment or performance of the terms or conditions of the Promissory Note and the Loan Agreement, and (vii) the execution, delivery and performance of the Loan Agreement and this Indenture are not in contravention of law or any agreement, instrument, indenture or other undertaking to which it is a party or by which it is bound.

SECTION 304. No Litigation. The Issuer represents and warrants that (i) no litigation or administrative action of any nature has been served upon the Issuer for the purpose of restraining or enjoining the issuance or delivery of the Bonds or the execution and delivery of this Indenture or the Loan Agreement or in any manner questioning the proceedings or authority under which they have occurred, or affecting their validity; (ii) no contest is pending as to its existence or authority of its present officers; (iii) no authority or proceeding for the issuance of the Bonds or for the payment or security thereof has been repealed, revoked or rescinded; (iv) no petition seeking to initiate any resolution or other measure affecting the same or the proceedings therefor has been filed and (v) to the best of the knowledge of the officers of the Issuer executing this Indenture, none of the foregoing actions is threatened.

SECTION 305. Further Assurances. The Issuer covenants that it will cooperate to the extent necessary with the Borrower, the Trustee and the Bank in their defenses of the Security against the claims and demands of all Persons, and will do, execute, acknowledge and deliver or cause to be done, such indentures supplemental hereto and

such further acts, instruments and transfers as the Trustee or the Bank may reasonably require for the better pledging of the Security. The Issuer shall not cause or permit to exist any amendment, modification, supplement, waiver or consent with respect to the Loan Agreement or the Promissory Note without the prior written consent of the Trustee, which consent shall be governed by Article VIII of this Indenture. The Issuer and the Borrower shall promptly furnish the certificate described in Section 701(k) of this Indenture upon the request of the Trustee.

SECTION 306. No Other Encumbrances. The Issuer covenants that except as otherwise provided herein and in the Loan Agreement, it will not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Security.

SECTION 307. No Recourse. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture or the Loan Agreement or the Bond Purchase Agreement, against any past, present or future member, official, officer, director, agent or employee of the Issuer, or any successor organization, as such, either directly or through the Issuer or any successor organization, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, official, officer, director, agent or employee as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture or the Loan Agreement and the issuance of the Bonds.

SECTION 308. Governmental Functions. Neither the Issuer nor the State is assigning any of its governmental functions in this Indenture; nor shall the Issuer or the State be precluded from taking such actions as shall be necessary in order for it to perform its governmental functions. The Issuer shall, however, be bound by its undertakings herein.

SECTION 309. Letter of Credit.

(a) Except with respect to Pledged Bonds (which Bonds shall not be entitled to any benefit of the Letter of Credit): (i) the Trustee shall draw moneys under the Letter of Credit to the extent available in accordance with the terms thereof to make timely payments of principal, premium (but only if such is permitted by the terms of the Letter of Credit) and interest coming due and payable on the Bonds (whether at maturity or upon prior redemption in accordance herewith), all as contemplated by Section 401; (ii) the Trustee shall draw moneys under the Letter of Credit on the Business Day prior to the purchase date to the extent available in accordance with the terms thereof to effect the purchase of Bonds required on such dates, except, in the case of each such date, to the extent of remarketing proceeds which are available on such preceding Business Day as contemplated by clause (i) of Section 404(b); and (iii) upon the occurrence of an Event of Default specified in Section 601(f) or upon declaration of acceleration of the Bonds pursuant to any other Event of Default, the Trustee shall immediately draw on the Letter of Credit to the extent available in an amount equal to the full unpaid principal and

accrued interest on the Bonds. Notwithstanding any provision to the contrary in this Indenture, (x) in computing the amount to be drawn under the Letter of Credit on account of the payment of the principal or Purchase Price of, or interest on the Bonds, the Trustee shall exclude any such amounts in respect of any Bonds which are Pledged Bonds on the date such payment is due, and (y) amounts drawn by the Trustee under the Letter of Credit shall not be applied to the payment of the principal or Purchase Price of, or interest on, any Bonds which are Pledged Bonds on the date such payment is due.

(b) Upon any redemption or defeasance of any Bonds or upon cancellation of any Bond upon purchase thereof as contemplated by Section 404, the Trustee shall send notice to the Bank to reduce the amounts available to be drawn on the Letter of Credit.

(c) The Trustee shall promptly surrender the Letter of Credit to the Bank for cancellation upon discharge of this Indenture pursuant to Section 501 or following the effective date of an Alternate Letter of Credit.

(d) On the effective date of an Alternate Letter of Credit the Trustee shall accept the Alternate Letter of Credit upon satisfaction of the requirements set forth in Section 3.7 of the Loan Agreement.

SECTION 310. Alternate Letters of Credit. The parties hereto acknowledge that the Borrower may, at its option, deliver Alternate Letters of Credit to the Trustee in accordance with the provisions of Section 3.7 of the Loan Agreement. Upon receipt by the Trustee from the Borrower of notice that the Borrower intends to deliver an Alternate Letter of Credit, the Trustee shall (a) during the Variable Rate Period, give notice of the proposed substitution to the Issuer, the Remarketing Agent and the Bondholders, as part of the mandatory tender notice provided in Section 206 hereof, not less than 30 nor more than 45 days prior to the expected date of receipt of such Alternate Letter of Credit and (b) during the Fixed Rate Period, give prompt written notice of the proposed substitution to the Bondholders and the Issuer. Such notice shall be prepared by the Trustee and shall (i) identify the Bank which is to issue the Alternate Letter of Credit, (ii) describe the term, principal amount and expected date of receipt of the proposed Alternate Letter of Credit and (iii) state that the Trustee's acceptance of the proposed Letter of Credit will be contingent upon fulfillment of the requirements of Section 3.7(b) or 3.7(c) of the Loan Agreement, as the case may be.

(END OF ARTICLE III)

SECTION 21. ARTICLE IV

SECTION 22.

SECTION 23. FUNDS

SECTION 401. Establishment and Use of Bond Fund. There is hereby created and established with the Trustee a special fund to be designated the “Town of Davie, Florida—Parkway Christian School Project Bond Fund” and within such Fund special accounts designated the “Current Account,” the “Letter of Credit Account” and the “Eligible Funds Account.” All moneys in the Bond Fund (other than amounts deposited in the Letter of Credit Account) shall be deposited and held in the Current Account until such moneys become Eligible Funds. All amounts drawn by the Trustee under the Letter of Credit (other than amounts obtained as a result of a Liquidity Drawing) shall be deposited in the Letter of Credit Account. Once any such moneys on deposit in the Current Account become Eligible Funds, they shall be withdrawn from the Current Account and deposited in the Eligible Funds Account until used pursuant to the terms hereof.

There shall be deposited in the Bond Fund (a) any accrued interest received on the sale of the Bonds; (b) all Loan Repayments under the Loan Agreement, including all proceeds resulting from the enforcement of the Security or its realization as collateral; (c) insurance and condemnation proceeds as provided in the Loan Agreement; (d) all moneys received by the Trustee under the Loan Agreement for deposit in the Bond Fund; (e) all moneys drawn under the Letter of Credit (other than amounts obtained as a result of a Liquidity Drawing) to pay principal of, premium, if any, or interest on the Bonds; and (f) any other moneys received by the Trustee with directions for deposit in the Bond Fund.

At all times the Trustee shall maintain adequate books and records relating to the Bond Fund (including any investment income thereon) so that the Trustee may at all times ascertain the date of deposit of the moneys in the Current Account and identify all funds therein which represent Eligible Funds. The Trustee shall create separate and segregated sub-accounts in the Current Account as needed so that each deposit in the Current Account is not commingled with other funds which do not constitute Eligible Funds. Moneys received by the Trustee and deposited in the Letter of Credit Account shall not be commingled with other moneys in the Bond Fund.

Moneys in the Bond Fund shall be held in trust first for the Bondholders and then for the Bank subject to the provisions of Section 501 hereof. Except as otherwise expressly provided herein, such moneys shall be used first solely for the payment of the interest on the Bonds and for the payment of principal of and premium, if any, on the Bonds upon maturity, whether stated or accelerated, or mandatory or optional redemption, and then, to the extent of any moneys remaining on deposit therein, for the payment of any amounts owed by the Borrower to the Issuer and the Trustee and then to

the Bank pursuant to the Borrower's reimbursement obligation under the Reimbursement Agreement.

The Issuer hereby authorizes and directs the Trustee, and the Trustee hereby agrees, to withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, only, in the following order of payment:

(a) Amounts realized by the Trustee under the Letter of Credit for principal, premium, if provided, and interest on the Bonds, provided in no event shall such moneys be used to pay for Pledged Bonds;

(b) Eligible Funds on deposit in the Bond Fund, other than amounts realized by the Trustee under the Letter of Credit; and

(c) Any other amounts (whether or not Eligible Funds) in the Bond Fund, including amounts received by the Trustee pursuant to the Loan Agreement.

If the Bonds are in a book-entry only system, the Trustee is hereby directed to give notice to the Depository on every Interest Payment Date occurring during a period in which Pledged Bonds are in existence that the Depository is not to pay, and will not be receiving from the Trustee, interest on the Pledged Bonds recorded in the books of the Depository for the account of the Borrower (and identifying the principal amount of such Bonds). Interest on such Pledged Bonds will be paid by the Borrower to the Bank pursuant to the Reimbursement Agreement.

On the Business Day preceding the date on which any principal and/or interest shall become due on the Bonds (whether upon any interest payment date, at maturity, upon the date fixed for redemption or upon maturity or acceleration of the Bonds), the Trustee shall, without making any prior claim or demand upon the Borrower, take actions under and in accordance with the Letter of Credit so as to receive moneys on such date thereunder in an amount equal to the amount of principal and interest (and premium, if provided for) coming due on the Bonds on the date such payment is due, provided, that the Trustee shall not take any action under the Letter of Credit to pay the principal of and/or interest (and premium, if provided for) on Pledged Bonds. Any such moneys realized under the Letter of Credit shall be deposited and held in the Bond Fund-Letter of Credit Account and shall not be commingled with other moneys in the Bond Fund. If for any reason funds are not available under the Letter of Credit for payment of principal and/or interest (and premium, if provided for) due on the Bonds on any such date, the Trustee shall immediately request from the Borrower funds sufficient to make all such payments of principal and/or interest and premium, if any, on the Bonds pursuant to Section 3.2 of the Loan Agreement by directing that the Borrower deposit such funds with the Trustee at its designated corporate trust office into the Bond Fund. If the Borrower has deposited moneys with the Trustee in accordance with clause (c) above and moneys have been realized by the Trustee under the Letter of Credit for the payment of principal and/or interest (and premium, if provided for) on the Bonds, then the Trustee

shall request a written statement from the Bank as to whether or not the Bank has been reimbursed by the Borrower for any and all such moneys. Upon written notice from the Bank that the Borrower has not reimbursed the Bank in a certain amount, any such moneys deposited in accordance with clause (c) above to such amount shall be paid to the Bank.

Any amounts remaining in the Bond Fund after payment in full of the Bonds and all other amounts required to be paid under this Indenture or the Loan Agreement, shall be paid (i) to the Bank, to the extent of any amounts owing under the Reimbursement Agreement, or, (ii) if there are no such amounts or obligations of the Borrower existing under the Reimbursement Agreement as certified in writing by the Bank to the Trustee, to the Borrower upon the expiration or sooner cancellation or termination of the term of the Loan Agreement as provided therein.

SECTION 402. Establishment and Use of Construction Fund. There is hereby created and established with the Trustee a special fund to be designated the “Town of Davie, Florida—Parkway Christian School Project Construction Fund.” The proceeds of the Bonds, as described in Section 405 hereof, shall be delivered to the Trustee for deposit into the Construction Fund. Funds in the Construction Fund shall be expended and disbursed in accordance with the provisions of the Loan Agreement.

SECTION 403. Creation and Sources of Bond Purchase Fund.

(a) There is hereby established and created with the Trustee a special fund to be designated the “Town of Davie, Florida—Parkway Christian School Project Bond Purchase Fund,” which shall be used to pay the Purchase Price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 205 or 206 of this Indenture. The Trustee shall hold all moneys on deposit in the Bond Purchase Fund in trust for the benefit of the Bondholders. The Bondholders who have tendered or who are deemed to have tendered their Bonds for purchase pursuant to Section 205 or 206 of this Indenture and for whose benefit Eligible Funds have been deposited in the Bond Purchase Fund shall have a first lien on, with right of payment to, such Eligible Funds.

(b) There shall be paid into the Bond Purchase Fund, as and when received,

(i) the proceeds of the remarketing of Bonds by the Remarketing Agent pursuant to Section 207 of this Indenture (which proceeds shall at all times prior to their transfer from the Bond Purchase Fund be held by the Trustee in a segregated account in the Bond Purchase Fund separate from all other moneys in the Bond Purchase Fund);

(ii) all moneys realized by the Trustee under the Letter of Credit for the purpose of paying such Purchase Price (all of which

moneys shall at all times prior to their transfer from the Bond Purchase Fund be held by the Trustee in a segregated account in the Bond Purchase Fund separate from all other moneys in the Bond Purchase Fund);

(iii) all payments made by the Borrower pursuant to Section 3.4 of the Loan Agreement (each of which payments shall at all times prior to their transfer from the Bond Purchase Fund be held by the Trustee in a segregated account in the Bond Purchase Fund separate from all other moneys in the Bond Purchase Fund); and

(iv) all other moneys received by the Trustee pursuant to this Indenture, the Loan Agreement, or otherwise which are required or which are accompanied by directions that such moneys are to be paid into the Bond Purchase Fund (each of which payments shall at all times prior to their transfer from the Bond Purchase Fund be held by the Trustee in a segregated account in the Bond Purchase Fund separate from all other moneys in the Bond Purchase Fund).

SECTION 404. Use of Moneys in the Bond Purchase Fund.

(a) Except as provided in this Section 404 of this Indenture, moneys in the Bond Purchase Fund shall be used solely for the payment of the Purchase Price of Bonds tendered or deemed to be tendered for purchase on any purchase date pursuant to Section 205 or Section 206 of this Indenture.

(b) On each purchase date, the Trustee shall pay the Purchase Price of Bonds tendered for purchase from moneys on deposit in the Bond Purchase Fund from funds derived from the following sources in the order of priority indicated:

(i) proceeds of the remarketing of such Bonds pursuant to Section 207 hereof which constitute Eligible Funds within the meaning of clause (a) of the definition of Eligible Funds in this Indenture;

(ii) moneys realized under the Letter of Credit to pay the Purchase Price of Bonds tendered or deemed to be tendered for purchase (other than Pledged Bonds); and

(iii) payments made by the Borrower pursuant to Section 3.4 of the Loan Agreement and all other moneys deposited in the Bond Purchase Fund in accordance with Section 403(b)(iv) hereof.

Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (i) above shall be delivered to the purchasers thereof as provided in Section 207 hereof. Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (ii) above shall, if the Bonds are not in a book-entry only system, be registered in the name of the Borrower (or as otherwise provided in the Reimbursement Agreement), shall be referred to as Pledged Bonds, shall be held by the Trustee in trust for the account of the Borrower, shall be pledged to the Bank pursuant to the Reimbursement Agreement securing the Borrower's obligations thereunder and shall not be transferred or exchanged by the Trustee until (a) the Trustee has received written notice that the Letter of Credit has been reinstated in the amount of the aggregate principal amount of such Bonds and the amount originally realized under the Letter of Credit to pay the portion of the Purchase Price equal to the accrued interest, if any, on such Bonds or, (b) the obligations of the Borrower under Sections 6.1 and 6.2 of the Reimbursement Agreement have been paid in full; and the Trustee may then release such Bonds, and register the transfer of such Bonds in the names of the new registered owners thereof as shall be provided by the Remarketing Agent by telephone or telecopy promptly confirmed in writing, in the manner set forth in Section 207 hereof; provided, however, that Pledged Bonds which have been held by the Trustee for a period of six months and have not been remarketed shall, at the written direction of the Bank, be cancelled. Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (iii) above shall, at the direction of the Borrower if the Bonds are not in a book-entry only system, be registered in the name of the Borrower or be cancelled.

If the Bonds are in a book-entry only system, the Trustee shall instruct the Depository to record in the books of the Depository for the account of the Borrower any Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (ii) above and

the Trustee shall record such beneficial ownership interest of the Borrower on its books, and such Bonds shall be referred to as Pledged Bonds, shall be deemed to be held by the Trustee in trust for account of the Bank and to the fullest extent permitted by law shall be subject to a security interest in favor of the Bank as security for the Borrower's obligations under the Reimbursement Agreement, which security interest shall be released only after (a) the Letter of Credit has been reinstated in the amount of the aggregate principal amount of such Bonds and the amount realized under the Letter of Credit to pay the portion of the Purchase Price equal to the accrued interest, if any, on such Bonds or, (b) the obligations of the Borrower under Section 6.1 and 6.2 of the Reimbursement Agreement have been paid in full; provided, however, that any such Pledged Bonds which have been recorded in the books of the Depository for the account of the Borrower for a period of six months and have not been remarketed shall, at the written direction of the Bank, be cancelled. If the Bonds are in a book-entry only system, the Trustee shall, with respect to any Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (iii) above which the Borrower does not instruct the Trustee to cancel, instruct the Depository to record such Bonds in the books of the Depository for the account of the Trustee, and such Bonds shall be Borrower Bonds.

(c) The Trustee agrees that after any action is taken under the Letter of Credit in accordance with this Section 404, it will not invest any previously uninvested moneys described in clause (i) of subsection (b) above until after such time as moneys have been realized under the Letter of Credit with respect to such action. If for any reason funds are not available under the Letter of Credit for payment of the Purchase Price of such Bonds on such purchase date, the Trustee shall immediately request from the Borrower funds sufficient to pay the Purchase Price of such Bonds pursuant to Section 3.4 of the Loan Agreement.

(d) Notwithstanding any other provision of this Indenture to the contrary, in the event that (i) the Remarketing Agent remarkets any Bonds tendered for purchase pursuant to Section 205 or Section 206 hereof and the proceeds of such remarketing are received by the Trustee after the Trustee has taken action under the Letter of Credit to realize moneys to pay the Purchase Price of such Bonds, pursuant to subsection (c) above, or (ii) the Remarketing Agent shall subsequently remarket any Pledged Bonds, the Purchase Price of which Bonds were paid by the Trustee as a result of action taken under the Letter of Credit pursuant to subsection (c) above, then all proceeds of any such remarketing which necessitated such action under the Letter of Credit (or which would otherwise be payable to the Borrower as the Registered Owner or Beneficial Owner of the Bonds) shall be paid by the

Trustee to the Bank in respect of the obligations of the Borrower under the Reimbursement Agreement. The Trustee shall immediately notify the Bank by telecopy or telephone, promptly confirmed in writing, that such proceeds are on deposit in the Bond Purchase Fund, and the Bank shall certify to the Trustee the amount of the obligations of the Borrower under the Reimbursement Agreement. When all obligations of the Borrower to the Bank under the Reimbursement Agreement have been satisfied, then all such moneys remaining in the Bond Purchase Fund shall be paid to the Borrower.

(e) If at any time moneys are on deposit in the Bond Purchase Fund in excess of the amounts required to be on deposit therein because the Borrower has made payment pursuant to Section 3.4 of the Loan Agreement for the purchase of Bonds tendered or deemed tendered for purchase pursuant to Section 205 or Section 206 hereof and the proceeds of the remarketing of such Bonds pursuant to Section 207 hereof are received by the Trustee prior to the purchase of such Bonds, with the result that such Bonds are or will be purchased with moneys described in Section 404(b)(i) hereof, such moneys so paid by the Borrower pursuant to Section 3.4 of the Loan Agreement shall be promptly returned to the Borrower by the Trustee to such extent.

SECTION 405. Deposit of Bond Proceeds. The net proceeds from the sale of the Bonds shall be deposited in the Construction Fund.

SECTION 406. Account Statements. The Trustee shall keep and maintain adequate account statements, including receipts and statements of disbursements, deposits and investments, pertaining to the Construction Fund, Bond Fund, Bond Purchase Fund and Rebate Fund. The Trustee shall provide such account statements pertaining to such Funds to the Issuer, the Bank and the Borrower upon request.

SECTION 407. Investment of Construction Fund, Bond Fund, Bond Purchase Fund and Rebate Fund Moneys. Moneys held as part of the Construction Fund, Bond Fund, Bond Purchase Fund and Rebate Fund shall be invested and reinvested in Permitted Investments in accordance with the provisions of Section 5.2 of the Loan Agreement; provided, however, that any moneys from a drawing under the Letter of Credit shall remain uninvested and any other moneys held by the Trustee in the Bond Fund and in the Bond Purchase Fund may only be invested and reinvested in Government Obligations or Government Obligations Funds and shall be invested so as to

mature at such times as shall be needed for the purposes for which such funds were deposited in the Bond Fund or the Bond Purchase Fund. Any Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund and account which was used to purchase the same. All interest accruing thereon and any profit realized from Permitted Investments shall be credited to the respective fund or account and any loss resulting from Permitted Investments shall be similarly charged. At the written direction of the Borrower, the Trustee shall cause to be sold and reduced to cash a sufficient amount of Permitted Investments whenever the cash balance is or will be insufficient to make a requested or required disbursement from the Construction Fund. The Trustee shall not be accountable for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries.

Although the Issuer and the Borrower each recognize that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Borrower hereby agree that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

SECTION 408. Arbitrage. The Issuer recognizes that investment of the Bond proceeds will be at the written direction of the Borrower, but agrees that it will commit no act that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code. The Trustee covenants that, while recognizing that investment of Bond proceeds will be at the written direction of the Borrower, should the Issuer file with the Trustee, or should the Trustee otherwise receive, an opinion of Bond Counsel, to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become “arbitrage bonds,” then the Trustee will comply with any instructions of the Issuer or such Bond Counsel regarding such investment or use so as to prevent the Bonds from becoming “arbitrage bonds.” The Trustee shall file a copy of any such opinion of Bond Counsel with the Issuer, the Borrower and the Bank upon their request.

SECTION 409. Rebate Fund.

(a) Upon written direction from the Borrower to the Trustee, the Trustee shall establish and maintain as a separate deposit account in the custody of the Trustee so long as any Bonds are Outstanding and are subject to a requirement of the Code that arbitrage profits be rebated to the United States of America, called the Rebate Fund. The Rebate Fund shall be administered in accordance with the terms and provisions of this Section 409 and the Tax Compliance Certificate. Except as provided herein and in the Tax Compliance Certificate, neither the Issuer, the Borrower nor any holder of the Bonds shall have any rights in or claim to moneys on deposit in the Rebate Fund.

(b) The Trustee (i) shall make deposits and disbursements from the Rebate Fund in accordance with the Rebate Instructions (as defined in the Tax Compliance Certificate), (ii) shall invest the amounts held in the Rebate Fund in Permitted Investments in accordance with the written instructions of the Borrower, subject, however, to any written instructions provided by the Rebate Analyst (as defined in the Tax Compliance Certificate) and (iii) shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund. The Trustee shall make information relating to the receipt, investment, disbursement, allocation and application of money in the Funds and Accounts under this Indenture available to the Borrower and the Rebate Analyst.

(c) The Trustee shall remit part or all of the balances in the Rebate Fund to the United States Treasury in accordance with the Rebate Instructions provided to the Trustee by the Rebate Analyst. The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 409, other than from moneys held in the Rebate Fund. Any balances remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any required rebate as specified in the Rebate Instructions, shall be remitted to the Borrower.

(END OF ARTICLE IV)

SECTION 24. ARTICLE V

A. DISCHARGE OF LIEN

SECTION 501. Discharge of Lien and Security Interest. Subject to the next paragraph, upon payment in full of the Bonds, then these presents and the security interests shall cease, determine and be void, and thereupon the Trustee, upon determining that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, and upon payment of the Trustee's fees, costs and expenses hereunder, shall (i) cancel and discharge this Indenture and the security interests, (ii) execute and deliver to the Issuer and the Borrower such instruments in writing as shall be required to cancel and discharge this Indenture and the security interests, (iii) reconvey, as applicable, to the Issuer and the Borrower the Security, and (iv) assign and deliver to the Issuer and the Borrower so much of the Security as may be in its possession or subject to its control, except for moneys and Government Obligations held in the Bond Fund for the purpose of paying Bonds and except for moneys held in the Bond Purchase Fund for the purpose of paying the Purchase Price of the Bonds which have been purchased by the Trustee; provided, however, such cancellation and discharge of this Indenture shall not terminate the powers and rights granted to the Trustee with respect to the payment, transfer and exchange of the Bonds; and provided, further, that the rights of the Issuer, the Trustee and the Remarketing Agent to indemnity and payment of all reasonable fees and expenses shall survive.

Notwithstanding any other provision to the contrary in this Indenture and unless otherwise agreed to by the Bank, (i) to the extent that moneys are drawn by the Trustee under the Letter of Credit or the Borrower is otherwise indebted to the Bank under the Reimbursement Agreement and (ii) the fees, costs and expenses of the Issuer and the Trustee hereunder have been paid, then: (A) the lien of this Indenture shall not be discharged; (B) the Bank shall be subrogated to the extent of such draws on the Letter of Credit or the Borrower's indebtedness to the Bank to all rights of the Bondholders to enforce the payment of the Bonds from the Security and all other rights of the Bondholders under the Bonds, this Indenture and the Loan Agreement; (C) the Bank shall be entitled in its own right upon payment in full of the principal of and interest on the Bonds to exercise all rights of enforcement and remedies set forth in Article VI hereof; (D) the Bondholders will be deemed paid to the extent of moneys drawn by the Trustee under the Letter of Credit; and (E) the Trustee shall sign, execute and deliver all documents or instruments and do all things which may be reasonably required by the Bank to effect the Bank's subrogation of rights of enforcement and remedies set forth in Article VI hereof in accordance with the intent of this Article V, including without limitation a conveyance and assignment of the Promissory Note to the Bank.

If payment or provision therefor has been made with respect to all the Bonds, the interest of the Trustee in the Promissory Note shall cease and the Trustee shall, subject to the rights of the Bank set forth in the preceding paragraph (including, without limitation, the right to have an assignment of such Promissory Note), cancel the Promissory Note

and return the same to the Borrower. Neither the obligations nor moneys deposited with the Trustee pursuant to this Article V shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust, for the payment of the principal, premium, if any, and interest on the Bonds or for payment to the Bank in accordance with the terms of this Indenture.

SECTION 502. Provision for Payment of Bonds During Fixed Rate Period. During the Fixed Rate Period, Bonds shall be deemed to have been paid within the meaning of Section 501 if:

(a) there have been irrevocably deposited in the Bond Fund either:

(i) **sufficient moneys constituting Eligible Funds within the meaning of paragraph (b) of that definition as set forth in Article I hereof, or**

(ii) **noncallable Government Obligations purchased with Eligible Funds within the meaning of paragraph (b) of that definition as set forth in Article I hereof, of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (such earnings to be held in trust also), be sufficient together with any moneys referred to in subsection (i) above,**

for the payment at their respective maturities or redemption dates prior to maturity, of the principal thereof and the redemption premium (if any) and interest to accrue thereon to such maturity or redemption dates, as the case may be;

(b) there have been paid all fees, costs and expenses of the Issuer, the Trustee and the Remarketing Agent due or to become due or there are sufficient moneys in the Bond Fund to make such payments;

(c) if any Bonds are to be redeemed on any date prior to their maturity, the Trustee has received in form satisfactory to it irrevocable instructions to redeem such Bonds on such date and either evidence satisfactory to the Trustee that all redemption notices required by this Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices;

(d) the Trustee shall have received a written opinion of Bond Counsel to the effect that such deposit (and the payment of the Bonds therefrom) will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes; and

(e) the Trustee shall have provided the Rating Agency, if the Bonds are then rated, not less than thirty (30) days prior to the date upon which the Bonds are to be deemed to have been paid within the meaning of Section 501 hereof, a written notice regarding the payment of such Bonds, together with such other information as the Rating Agency may require in order to maintain the then existing rating of the Bonds, if any, to the date of their respective maturities or redemption dates prior to maturity, as the case may be.

Limitations elsewhere specified herein regarding the investment of moneys held by the Trustee in the Bond Fund shall not be construed to prevent the depositing and holding in the Bond Fund of the obligations described in the preceding subparagraph (a)(ii) for the purpose of defeasing the lien of this Indenture as to Bonds which have not yet become due and payable. In addition, all moneys so deposited with the Trustee as provided in this Section 502 may also be invested and reinvested, at the written direction of the Borrower, in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Section 502 which is not required for the payment of the Bonds and interest and redemption premium, if any, thereon with respect to which such moneys shall have been so deposited under this Section 502 shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in the Bond Fund.

SECTION 503. Discharge of this Indenture. Notwithstanding the discharge and cancellation of the lien of this Indenture upon the Security under Section 501, this Indenture and the rights granted and duties imposed hereby, to the extent not inconsistent with such discharge and cancellation of the lien upon the Security, shall nevertheless continue and subsist after payment in full of the Bonds and all of the Borrower's obligations to the Bank under the Reimbursement Agreement until the Trustee shall have returned to the Borrower all funds held by the Trustee in the Bond Fund, Construction Fund and the Bond Purchase Fund pursuant to Sections 401, 402 and 404 of this Indenture.

(END OF ARTICLE V)

SECTION 25. ARTICLE VI

A. DEFAULT PROVISIONS AND REMEDIES

SECTION 601. Events of Default. Any one of the following shall constitute an Event of Default hereunder:

(a) Default in the payment of any interest on any Bond when and as the same is due;

(b) Default in the payment of the principal of or any premium on any Bond when and as the same is due, whether at the stated maturity or redemption date thereof or by acceleration;

(c) Default in the payment of the Purchase Price of any Bond required to be purchased hereunder when and as the same is due;

(d) Default in the observance or performance of any other of the covenants, agreements or conditions on the part of the Issuer included in this Indenture or in the Bonds and the continuance thereof for a period of 30 days after the Trustee gives written notice to the Issuer, the Bank and the Borrower;

(e) The occurrence of an “Event of Default” as defined in the Loan Agreement;

(f) The Trustee receives a written notice from the Bank of the occurrence of an “Event of Default” as defined in the Reimbursement Agreement and directing the Trustee to accelerate immediately all Outstanding Bonds;

(g) The Bank shall wrongfully dishonor any draft or other request for payment under the Letter of Credit presented in strict accordance with its terms, the Letter of Credit shall, for any reason, become unavailable to or unenforceable by the Trustee, or the Bank (i) shall generally not pay its debts as they become due, (ii) shall admit in writing its inability to pay its debts generally, (iii) shall make a general assignment for the benefit of creditors, (iv) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (v) shall take any action to authorize any of the actions described above in this subsection (g), or (vi) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or

protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if each such proceeding is being contested by the Bank in good faith, each such proceeding shall remain undismissed or unstayed for a period of 60 days, and the Borrower shall not have obtained an Alternate Letter of Credit within 60 days after receipt of notice of each such occurrence; and

(h) Receipt by the Trustee of written notice from the Bank by the fifteenth calendar day following the honoring of an interest drawing on the Letter of Credit that the amount available to be drawn by the Trustee under the Letter of Credit has not been reinstated to an amount not less than 100% of the outstanding principal of, plus 45 days' interest on the Bonds (or 210 days' interest on the Bonds if the Bonds then bear interest at the Fixed Rate) computed at the maximum interest rate of 10%.

Any default described in Section 601(d) hereof may be waived by the Trustee with the written consent of the Bank from time to time if the Issuer (or the Borrower, on behalf of the Issuer) is proceeding with all due diligence to cure such default and the Issuer is not otherwise in default hereunder.

SECTION 602. Acceleration. Subject to the requirement that the Bank's consent to any acceleration must be obtained in the case of an Event of Default described in subsection (d) or (e) of Section 601 hereof, upon the occurrence of any Event of Default hereunder, the Trustee may and upon (i) the written request of the holders of not less than twenty-five percent in aggregate principal amount of Bonds then Outstanding or (ii) the occurrence of an Event of Default under subsection (f) or (h) of Section 601 hereof, the Trustee shall, by notice in writing sent to the Issuer, declare the principal of and any premium on all Bonds then Outstanding (if not then due and payable) and the interest accrued thereon to be due and payable immediately, and, upon such declaration, such principal and premium, if any, and interest shall become and be immediately due and payable. Pursuant to such declaration, interest on the Bonds shall accrue to the date of such declaration. Upon any declaration of acceleration hereunder, the Trustee shall immediately exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable and, to the extent it has not already done so and to the extent necessary, shall immediately draw upon the Letter of Credit as provided in clause (iii) of Section 309(a).

Immediately following any such declaration of acceleration, the Trustee shall mail notice of such declaration by first class mail to the Issuer and each holder of Bonds at his last address appearing on the Bond Register and to the Rating Agency, if the Bonds are then rated. Any defect in or failure to give such notice of such declaration shall not affect the validity of such declaration.

SECTION 603. Other Remedies; Rights of Bondholders. Upon the happening and continuance of an Event of Default hereunder the Trustee may, but only with the prior written consent of the Bank, with or without taking action under Section 602 hereof,

pursue any available remedy to enforce the performance of or compliance with any other obligation or requirement of this Indenture, the Loan Agreement or the Promissory Note.

Subject to Section 602 hereof and the requirement that the Bank's consent to the exercise by the Trustee of any such available remedy must be obtained, upon the happening and continuance of an Event of Default, and if requested to do so by the holders of at least twenty-five percent in aggregate principal amount of Bonds then Outstanding and the Trustee is indemnified as provided in Section 701 hereof, the Trustee shall exercise such of the rights and powers conferred by this Section and by Section 602 hereof as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Bondholders and, except to the extent inconsistent with the interests of the Bondholders, the Bank.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

The Trustee, as the assignee of all right, title and interest of the Issuer in and to the Loan Agreement, shall be empowered to enforce each and every right granted to the Issuer under the Loan Agreement.

SECTION 604. Right of Bondholders and Bank to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, and subject to the rights of the Bank to direct proceedings as provided in Sections 602 and 603, the holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and provided that the Trustee shall be indemnified to its satisfaction (except for actions required under Section 309(a)(iii) or Section 602). No Bondholder shall individually, or collectively except through the Trustee, have the right to present a draft to the Bank to collect amounts available under the Letter of Credit.

No Bondholder shall have the right to institute any proceeding for the enforcement of this Indenture unless such Bondholder has given the Trustee and the Borrower written notice of an Event of Default, the holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have requested the Trustee in writing to institute such proceeding, the Trustee shall have been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, and there shall have been offered to the Trustee indemnity and the Trustee shall have thereafter failed or refused to exercise such powers or to institute such proceeding within a reasonable time. Nothing in this Indenture shall affect or impair any right of enforcement conferred on any Bondholder hereof by the Act to enforce (i) the payment of the principal of and premium (if any) and interest on Bonds at and after the maturity thereof, or (ii) the obligation of the Issuer to pay the principal of and premium (if any) and interest on Bonds to such Bondholder at the time, place, from the source and in the manner as provided in this Indenture.

SECTION 605. Discontinuance of Default Proceedings. Prior to the drawing on the Letter of Credit pursuant to clause (iii) of Section 309(a), in case the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case the Issuer, the Bank and the Trustee shall be restored to their former positions and rights hereunder and all rights, remedies and powers of the Trustee and the Bank shall continue as if no such proceedings had been taken subject to the limits of any adverse determination.

SECTION 606. Waiver. To the extent not precluded by Section 10.5 of the Loan Agreement, the Trustee, with the consent of the Bank, may waive any default or Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity of principal, and shall do so upon the written request of the Bank; provided, however, that there shall be no such waiver or rescission unless the Purchase Price and all principal, premium, if any, and interest on the Bonds in arrears together with interest thereon (to the extent permitted by law) at the applicable rate of interest borne by the Bonds and all fees and expenses of the Trustee and the Issuer shall have been paid or provided for. The Trustee may not waive any default or Event of Default hereunder until the amount available to be drawn on the Letter of Credit in respect of the Purchase Price of the Bonds (including both principal, premium (if covered by the Letter of Credit) and interest, if any) and principal and interest on the Bonds has been reinstated in full and the Trustee has received the written consent of the Bank to such waivers and acknowledgment of such reinstatement.

SECTION 607. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VI shall be deposited in the Bond Fund. After payment (out of moneys derived from a source other than the Letter of Credit) of (i) the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities, and advances incurred or made by the Trustee, including reasonable attorneys' fees, and all other current outstanding fees and expenses of the Trustee and the creation of a reasonable reserve for anticipated fees,

costs and expenses, and (ii) any sums due to the Issuer under the Loan Agreement (other than Loan Repayments), such moneys shall be applied in the order set forth below:

(a) Unless the principal on all Bonds has become or has been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of all installments of interest then due on the Bonds and, if the amount available is not sufficient to pay in full any particular installment, then to the ratable payment of the amounts due on such installment; and

SECOND: To the payment of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the Indenture), with interest on such Bonds from the respective dates upon which they became due (at the rate borne by the Bonds, to the extent permitted by law) and, if the amount available is not sufficient to pay in full Bonds due on any particular date, together with such interest, then to the ratable payment of the amounts due on such date.

(b) If the principal of all the Bonds has become or has been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority as between principal, premium or interest, installments of interest or Bonds, ratably according to the amounts due respectively for principal, premium and interest to the Persons entitled thereto.

(c) If the principal on all Bonds has been declared due and payable, and if such declaration thereafter has been rescinded under this Article then, subject to paragraph (b) of this Section in the event that the principal of all the Bonds later becomes or is declared due and payable, the moneys shall be applied in accordance with paragraph (a) of this Section.

Notwithstanding the foregoing, the Trustee shall apply moneys received under the Letter of Credit only to principal, premium (if covered by the Letter of Credit) and interest on the Bonds (except Bonds which are not entitled to any benefit of the Letter of Credit, as contemplated by Section 309). Subject to Section 602 hereof, whenever moneys are to be applied pursuant to this Section, the Trustee shall fix the date of declaration of acceleration (which shall be the earliest practical date, in the sole discretion of the Trustee, for which the requisite notice to the Issuer can be given) upon which such application is to be made and upon such date of declaration interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such

notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

(END OF ARTICLE VI)

SECTION 26. ARTICLE VII

A. THE TRUSTEE AND THE REMARKETING AGENT

SECTION 701. Appointment. The Trustee is hereby appointed and does hereby agree to act in such capacity, and to perform the express duties of the Trustee under this Indenture, but only upon and subject to the following express terms and conditions (and no implied covenants or other obligations shall be read into this Indenture against the Trustee):

(a) The Trustee may execute any of its trusts or powers and perform any of its duties herein by or through attorneys, agents, receivers or employees, and shall be entitled to rely on advice of counsel and other professionals concerning all matters of such trusts, powers and duties. The Trustee shall not be answerable for the default or misconduct of any attorney, agent, receiver or employee selected by it with reasonable care, and may in all cases pay such Persons reasonable compensation. The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatsoever in connection with its trusts, powers and duties herein, except only for its gross negligence or willful misconduct.

(b) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the Security for the Bonds. Except as otherwise provided in Sections 309 and 602 hereof, the Trustee shall have no obligation to perform any of the duties of the Issuer under the Loan Agreement, and the Trustee shall not be liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 407 hereof. The Trustee shall have no duty or responsibility to examine or review and shall have no liability for the contents of any documents submitted to or delivered to any Bondholder in the nature of a preliminary or final placement memorandum, official statement, offering circular or similar disclosure document.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder after such Bonds shall have been delivered in accordance with instructions of the Issuer or for the use by the Borrower of the proceeds of the Loan (as defined in the Loan Agreement). The Trustee may become the owner of Bonds secured hereby with the same rights as any other Bondholder.

(d) The Trustee shall be protected in acting upon opinions of counsel and upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by an authorized representative of such Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any

Bond (such ownership to be established as provided in Section 213 of this Indenture), shall be conclusive and binding upon all future owners or holders of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee may conclusively rely upon a certificate furnished by the Bank as to amounts owing under the Reimbursement Agreement.

(e) The permissive right of the Trustee to do things enumerated in this Indenture or the Loan Agreement shall not be construed as duties. The Trustee shall only be responsible for the performance of the duties expressly set forth herein and shall not be answerable for other than its gross negligence or willful misconduct in the performance of those express duties.

(f) The Trustee shall not be personally liable for any debts contracted or for damages to Persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts, relating to the Project.

(g) The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers or otherwise hereunder.

(h) Before taking any action requested hereunder (except for acceleration of the Bonds as required by Section 602 and for drawing on the Letter of Credit as required by Section 309(a)), the Trustee may require that satisfactory security or indemnity be furnished to it for the reimbursement of all fees and expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own gross negligence or willful misconduct by reason of any action so taken.

(i) All moneys received by the Trustee, until used or applied or invested as herein provided, shall be held as special trust funds for the purposes specified in this Indenture and for the benefit and security of the holders of the Bonds and the Bank as herein provided. Such moneys need not be segregated from other funds except to the extent required by law or herein provided, and the Trustee shall not otherwise be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(j) The Trustee shall not be bound to ascertain or inquire as to the performance of the obligations of the Borrower under the Loan Agreement or the Issuer under this Indenture, and shall not be deemed to have, or required to take, notice of a Determination of Taxability or an Event of Default under this Indenture, except (i) in the event the Borrower fails to pay any Loan Repayment when due, (ii) in the event of an insufficient amount in the Bond Fund (or any account therein) to make a principal or interest payment on the Bonds, (iii) upon written notification actually received by the Trustee of a Determination of Taxability from the Borrower, the Issuer or the holder of any Bonds, (iv) upon written notification actually received by the Trustee of a default by the Issuer or the holders of not less than 10% of the principal amount of Outstanding Bonds, or (v) upon written notification actually received by the Trustee from the Bank pursuant to Section 601(f) hereof. In the absence of such notice, the Trustee may

conclusively presume there is no Determination of Taxability and no Event of Default except as aforesaid. The Trustee may nevertheless require the Issuer and the Borrower to furnish information regarding performance of their obligations under the Loan Agreement and this Indenture, but is not obligated to do so.

(k) The Trustee may request a certificate from the Borrower and Issuer that no Act of Bankruptcy has occurred, and the Trustee may conclusively rely upon such certificate as to the matters set forth therein.

(l) The Trustee shall, prior to any Event of Default and after the curing of all Events of Default which may have occurred, perform such duties and only such duties of the Trustee as are specifically set forth in this Indenture and the Loan Agreement. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture and the Loan Agreement and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The foregoing shall not limit the Trustee's obligations under Section 309(a)(iii) or Section 602.

(m) In the event that the Trustee receives direction from Bondholders under any section of this Indenture which permits Bondholders to direct the actions of the Trustee, the Trustee shall only be required to act pursuant to the direction of the Bondholders which represent the largest percentage in aggregate principal amount of the Outstanding Bonds at the time such direction is issued to the Trustee (the "Majority Direction"). The Trustee may act pursuant to other directions of Bondholders to the extent that such direction is not inconsistent with the Majority Direction. The Trustee shall not be liable for a failure to act upon any direction except the Majority Direction when acting pursuant to this Section 701(m). Nothing in this Section 701(m) shall be construed to modify or amend any section which requires a minimum number of Bondholders to direct the Trustee to take certain action before the taking of such action by the Trustee becomes mandatory.

(n) The Trustee agrees to accept and act upon facsimile transmission of written instructions or directions pursuant to this Indenture, provided, however, that (a) the Borrower, subsequent to such facsimile transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, (b) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Borrower or in the name of the Borrower, by an authorized representative of the Borrower, and (c) the Borrower shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Borrower 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 arising directly or indirectly from the Trustee's reliance

upon and compliance with such facsimile instructions notwithstanding such facsimile instructions conflict or are inconsistent with a subsequent written instruction.

SECTION 702. Fees; Expenses. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its ordinary services rendered hereunder and all advances, counsel fees and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services. If it becomes necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable extraordinary expenses in connection therewith; provided, that if such extraordinary services or extraordinary expenses are occasioned by the gross negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor.

The Trustee shall also be indemnified by the Borrower as provided in the Loan Agreement. The Trustee recognizes that all fees, charges and other compensations to which it may be entitled under this Indenture are required to be paid by the Borrower under the terms of the Loan Agreement or from funds derived from the Project or from the proceeds of the Bonds. Accordingly, the Trustee agrees that except for moneys that the Issuer may derive from the foregoing (excluding, however, the moneys for the issuance fee, administrative costs, taxes and other public service charges and indemnity under Sections 3.5, 8.6 and 10.4 of the Loan Agreement) the Issuer shall not be liable for any such fees, charges and other compensation to which the Trustee and the Remarketing Agent may be entitled. Payment of all such amounts shall however, be secured by the Security (except the Letter of Credit and any moneys on deposit with the Trustee which are being held in the Bond Fund for the purpose of paying to Bondholders principal, Purchase Price, premium, if any, or interest which has previously become payable with respect to the Bonds) as set forth herein.

As security for the payment of the Trustee's fees, costs and expenses and for the indemnity provided in this Section 702, the Trustee shall have a first lien on all moneys and property coming into its possession (except for any moneys on deposit with the Trustee which are being held in the Bond Fund for the purpose of paying to Bondholders principal, Purchase Price, premiums, if any, or interest which has previously become payable with respect to the Bonds).

When the Trustee incurs expenses or renders services after the occurrence of an Act of Bankruptcy with respect to the Issuer or the Borrower, the expenses and the compensation for the services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

The Borrower's payment obligations under this Section shall survive the discharge of this Indenture, and shall not be limited by any law affecting the compensation of a trustee of an express trust.

SECTION 703. [RESERVED]

SECTION 704. Resignation; Appointment of Successor Trustee by Bondholders or Issuer.

(a) The Trustee and any successor Trustee may resign only upon giving 60 days' prior written notice to the Issuer, the Bank, the Borrower and to each registered owner of Bonds then Outstanding as shown on the records of the Trustee. Such resignation shall take effect only upon the appointment of a successor Trustee as described in Section 704(b) below and the acceptance of such appointment by the successor Trustee. Upon appointment of a successor Trustee, the resigning Trustee shall, after payment of its fees, costs and expenses, assign all of its right, title and interest in the Security, and transfer and assign its right, title and interest in the Indenture and the Letter of Credit, pursuant to the terms of the Letter of Credit, to the successor Trustee. The successor Trustee shall meet the requirements of Section 704(b) below and shall accept in writing its duties and responsibilities hereunder and file such acceptance with the Issuer, the Bank and the Borrower.

(b) In case the Trustee shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Loan Agreement) and the Bank, be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the Issuer, the retiring Trustee, the successor Trustee, the Borrower, the Bank and the Remarketing Agent. Pending such appointment by the Bondholders, the Issuer may, with the consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Loan Agreement) and the Bank, appoint a temporary successor Trustee, by an instrument in writing signed by an authorized officer of the Issuer, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Trustee, the successor Trustee, the Borrower, the Bank and the Remarketing Agent. If the registered owners and the Issuer fail to so appoint a successor Trustee, hereunder within forty-five (45) days after the Trustee has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Trustee appointed pursuant to the provisions of this Section 704 shall be a national banking association or a trust company or bank organized and in good standing under the laws of Florida or any state or the District of Columbia and have a combined capital and surplus of not less than \$50,000,000 as set forth in its most recent published annual report of condition. Notwithstanding any of the provisions of this Article VII to the contrary concerning the resignation or removal of the Trustee or the appointment of a successor Trustee, no such

resignation, removal or appointment shall be effective until the Bank shall have issued and delivered to the successor Trustee (i) a substitute Letter of Credit in substantially the same form as the existing Letter of Credit, but in favor of the successor Trustee, whereupon the retiring Trustee shall simultaneously return the Letter of Credit then held by it to the Bank for cancellation, or (ii) an amendment to the existing Letter of Credit, evidencing transfer thereof in all respects to the successor Trustee, to the extent permitted by law and by the terms of the Letter of Credit.

(c) Any banking association or corporation into which the Trustee may be merged, converted or with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Trustee shall be transferred, shall succeed to all the Trustee's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 705. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing (a) delivered to the Trustee, the Bank, the Issuer and the Borrower and signed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, or (b) delivered to the Trustee and the Issuer and signed by the Borrower and the Bank; provided that if an Event of Default has occurred and is continuing hereunder, the Trustee may not be removed without the consent of the holders of a majority in aggregate principal amount of the Bonds then Outstanding. No removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment in the manner provided in Section 704. Upon such removal and the payment of its fees, costs and expenses, the Trustee shall assign to the successor Trustee all of its right, title and interest in the Security in the same manner as provided in Section 704 hereof, and transfer and assign its right, title and interest in the Letter of Credit pursuant to the terms of the Letter of Credit.

SECTION 706. Appointment of Alternate Paying Agents. The Issuer, with the approval of the Borrower and the Trustee, may designate alternate paying agents which are national banking associations or banks or trust companies organized under the laws of the United States of America or any state of the United States, having a combined capital stock, surplus and undivided profits aggregating at least \$50,000,000 and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties normally imposed on paying agents by this Indenture. In such event, arrangements shall be made through the Trustee whereby funds will be made available for the payment of such of the Bonds as are presented to such alternate paying agent or agents when due.

SECTION 707. Resignation or Removal of Alternate Paying Agents; Successors. Any alternate paying agent may at any time resign and be discharged of the

duties and obligations created by this Indenture by giving at least 60 days' written notice to the Issuer, the Borrower, the Bank and the Trustee. Any alternate paying agent may be removed at any time by an instrument filed with such paying agent and the Trustee and signed by the Borrower. In the event of the resignation or removal of any alternate paying agent, such paying agent shall pay over, assign and deliver any moneys held by it as alternate paying agent to its successor, or if there is no successor, to the Trustee.

SECTION 708. Instruments of Bondholders. Any instrument required by this Indenture to be executed by Bondholders may be in any number of writings of similar tenor and may be executed by Bondholders in person or by an agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent shall be sufficient for any of the purposes of this Indenture if it is established by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof. Proof of the ownership of Bonds shall be established by the ownership records noted in the Bond Register.

The Trustee may rely on such an instrument of Bondholders unless and until the Trustee receives notice in the form specified above that the original such instrument is no longer trustworthy. In the event that the Trustee receives conflicting directions from two groups of Bondholders, each with combined holdings of not less than 25% of the principal amount of Outstanding Bonds, the directions given by the group of Bondholders which hold the largest percentage of Bonds shall be controlling and the Trustee shall follow such directions as elsewhere required herein.

SECTION 709. Power to Appoint Co-Trustees. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Project is located, the Issuer and the Trustee, with the written consent of the Bank, may appoint, and, upon the request of the Trustee or of the holders of not less than a majority of the aggregate principal amount of the Bonds then Outstanding, the Issuer shall, with the written consent of the Bank, join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint one or more Persons approved by the Trustee either to act as co-trustee or co-trustees, jointly with the Trustee of all or any part of the Project, or to act as separate trustee or separate co-trustees of all or any part of the Project, and to vest in such Person or Persons, in such capacity, such title to the Project or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

The Bank shall not be required to honor a draft on the Letter of Credit from a co-trustee unless the Trustee has transferred and assigned to such co-trustee its right, title and interest in the Letter of Credit in accordance with the terms of the Letter of Credit.

If the Issuer has not joined in such appointment within thirty (30) days after the receipt by it of a request so to do, or in case an Event of Default has occurred and is continuing, the Trustee alone shall have the power to make such appointment.

The Issuer shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall, to the extent permitted by law or any applicable contract, be appointed subject to the following terms, namely:

(a) This Indenture shall become effective once the Bonds are authenticated and delivered, and thereupon the Trustee shall have all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of the custody, control or management of moneys, papers, securities and other personal property.

(b) All rights, powers, trusts, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees, or separate trustee or separate trustees, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(c) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(d) Any co-trustee or separate trustee to the extent permitted by law may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(e) The Trustee at any time, by an instrument in writing, with the concurrence of the Issuer evidenced by a resolution, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 709. If an Event of Default has occurred and is continuing, the Trustee may accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Issuer. Upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 709.

(f) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

(g) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by any Bondholder and delivered to the

Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(h) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with the security interest in the Security and with such rights, powers, duties, trusts or obligations, as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the security interest in the Security and all rights, powers, trusts, duties and obligations of such co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the same manner as provided for with respect to the appointment of a successor Trustee pursuant to Section 704 hereof.

SECTION 710. Recordation and Other Instruments. In order to perfect the security interest of the Trustee in the Security and to perfect the security interest in the Agreement, the Borrower will cause such financing statements, at the expense of the Borrower, to be duly filed in the appropriate state and county offices as required by the provisions of the U.C.C. To continue the security interest evidenced by such financing statements, the Trustee shall file and record or cause to be filed and recorded, at the direction and expense of the Borrower, such necessary continuation statements or supplements thereto and other instruments from time to time as may be required, pursuant to the provisions of the U.C.C. to fully preserve and protect the security interest of the Trustee in the Security and to perfect the security interest in the Loan Agreement. The Issuer, at the expense of the Borrower, shall execute and cause to be executed any and all further instruments as shall be reasonably required by the Trustee for such protection and perfection of the interests of the Trustee and the Registered Owners or by the Bank for the protection and perfection of the interest of the Bank in the Security as provided herein.

SECTION 711. Remarketing Agent. At the request of the Borrower, Fifth Third Securities, Inc., is hereby appointed as the initial Remarketing Agent. The Borrower, with the consent of the Bank, which consent shall not be unreasonably withheld, shall appoint any successor Remarketing Agent for the Bonds, subject to the conditions set forth in Section 712. Any Remarketing Agent shall designate to the Issuer and the Trustee its principal office for purposes hereof, which shall be the office of such Remarketing Agent at which all notices and other communications in connection herewith may be delivered to it. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of

acceptance delivered to the Issuer, the Borrower, the Trustee and the Bank, under which such Remarketing Agent will agree particularly to (i) perform its obligations under Section 203 with respect to the determination of the Variable Rate and the Fixed Rate, (ii) perform its obligations under Section 207 with respect to any Bond delivered or deemed to have been delivered to the Trustee as tender agent for purchase pursuant to Section 205 or 206, and (iii) keep books and records with respect to all its activities hereunder available for inspection by the Issuer, the Trustee, the Borrower and the Bank at all reasonable times.

SECTION 712. Qualifications of Remarketing Agent; Resignation; Removal. The Remarketing Agent shall be a financial institution or corporation with the ability to perform all the duties imposed upon it by this Indenture. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice to the Issuer, the Borrower, the Trustee and the Bank. The Remarketing Agent may be removed at any time, without cause, upon at least 30 days' written notice to the Remarketing Agent, at the direction of the Borrower, by an instrument signed by the Borrower and filed with the Remarketing Agent, the Trustee, the Issuer and the Bank. In no event shall the resignation or removal of the Remarketing Agent be effective until a qualified successor has accepted appointment as such.

In the event of the resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor. Upon the resignation or removal of the Remarketing Agent, the Borrower, with the written consent of the Bank, which consent shall not be unreasonably withheld, shall appoint a successor Remarketing Agent. The Bank may appoint a successor Remarketing Agent if the Borrower fails to do so within 30 days after the resignation or removal of the prior Remarketing Agent.

SECTION 713. Trustee as Custodian of the Funds, Bond Registrar, Paying Agent and Tender Agent. The Trustee, so long as it is Trustee, shall be custodian of the funds, bond registrar and paying agent for principal of and premium (if any) and interest on the Bonds. The Trustee, so long as Trustee, shall be tender agent for the Bonds as provided in Article II hereof. The Trustee hereby agrees that in performing its duties as tender agent referred to in Article II hereof that it is acting as the agent and representative of the Borrower and the Bondholders and not as the agent or representative of the Issuer.

SECTION 714. Several Capacities. Anything in this Indenture to the contrary notwithstanding, the same entity may serve hereunder as the Bank, the Trustee and the Remarketing Agent and in any other combination of such capacities, to the extent not prohibited by law.

(END OF ARTICLE VII)

SECTION 27. ARTICLE VIII

A. AMENDMENTS, SUPPLEMENTAL INDENTURES

SECTION 801. Supplemental Indentures. The Issuer and the Trustee, with the consent of the Bank but without the consent of or notice to any Bond holders, may enter into an indenture or indentures supplemental to this Indenture and not inconsistent herewith for one or more of the following purposes:

(a) To cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which do not materially adversely affect the interest of the Bondholders or the Bank;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders or the Bank any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;

(c) To grant or pledge to the Trustee for the benefit of the Bondholders and the Bank any additional security other than that granted or pledged under this Indenture;

(d) To modify, amend or supplement this Indenture or any supplemental indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States;

(e) To appoint a successor Trustee, separate trustees or co-trustees in the manner provided in Article VII;

(f) To obtain a rating on the Bonds from a national rating service; and

(g) To make any other change which, in the judgment of the Trustee acting in reliance upon an opinion of counsel, is not to the material prejudice of the Trustee or the Bondholders.

When requested by the Issuer or the Borrower, and upon receipt of an opinion of Bond Counsel to the effect that all conditions precedent under this Indenture have been met, the Trustee shall join the Issuer in the execution of any such supplemental indenture. A copy of all such supplemental indentures shall be promptly furnished to the Bank and the Borrower.

SECTION 802. Amendments to Indenture; Consent of Bondholders and the Bank. Exclusive of supplemental indentures covered by Section 801 and subject to the terms and provisions contained in this Section 802, and not otherwise, the holders of not

less than a majority in aggregate principal amount of the Bonds then Outstanding and affected by such indenture or indentures supplemental hereto, with the consent of the Bank, shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and direct the execution by the Trustee of such other indenture or indentures supplemental hereto as shall be consented to by the Issuer, which consent shall not be unreasonably withheld, for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting (a) without the consent of the holders of all Bonds then outstanding (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Bond, or (ii) a reduction in the principal amount of, or the premium or the rate of interest on, any Bond, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) the creation of a lien prior to the lien of this Indenture, (v) a reduction in the aggregate principal amount of the Bonds required for consent to any supplemental indenture, or (vi) a modification or change which impairs the ability of a Bondholder to tender Bonds for purchase pursuant to Section 205(a) hereof or (b) a modification or change in the duties of the Trustee hereunder without the consent of the Trustee. The giving of notice to and consent of the Bondholders to any such proposed supplemental indenture shall be obtained pursuant to Section 806.

Copies of any such supplemental indentures shall be filed with the Borrower, the Bank and the Rating Agency, if the Bonds are then rated, not less than ten (10) days prior to the effective date of such supplemental indenture.

SECTION 803. Amendments to Loan Agreement Not Requiring Consent of Bondholders. The Issuer may with the consent of the Bank and the Trustee but without the consent of or notice to any of the Bondholders, enter into or permit any amendment of the Loan Agreement acceptable to the Borrower as may be required (i) to cure any ambiguity or formal defect or omission which shall not adversely affect the interest of the Bondholders; (ii) to grant or pledge to the Issuer or Trustee, for the benefit of the Bondholders or the Bank, any additional security; or (iii) in connection with any other change therein which, in the judgment of the Trustee acting in reliance upon an opinion of counsel, is not to the prejudice of the Trustee and the Bondholders.

Copies of any such amendments to the Loan Agreement shall be filed with the Trustee, the Bank and the Rating Agency, if the Bonds are then rated, not less than ten (10) days prior to the effective date of such amendment to the Loan Agreement.

SECTION 804. Amendments to Loan Agreement Requiring Consent of Bondholders and the Bank. Except as provided in Section 803 hereof, the Issuer shall not enter into, and the Trustee shall not consent to, any other modification or amendment of the Loan Agreement, nor shall any such modification or amendment become effective, without the consent of the Bank and the consent of the holders of not less than a majority of the aggregate principal amount of the Bonds at the time Outstanding, such consent to be obtained in accordance with Section 806 hereof. No such amendment may, without

the consent of the holders of all the Outstanding Bonds, reduce the amounts or delay the times of payment of Loan Repayments under the Loan Agreement.

Copies of any such amendments to the Loan Agreement shall be filed with the Trustee, the Bank and the Rating Agency, if the Bonds are then rated, not less than ten (10) days prior to the effective date of such amendment to the Loan Agreement.

SECTION 805. Amendments, Changes and Modifications to the Letter of Credit and the Promissory Note. Except as otherwise provided in the Loan Agreement or in this Indenture, subsequent to the initial issuance of Bonds and prior to payment of the Bonds in full (or provision for the payment thereof having been made in accordance with the provisions of this Indenture), the Letter of Credit may not be amended, changed or modified without the prior written consent of the Trustee; provided, that the Original Letter of Credit may be extended upon similar terms (and the amount of the Letter of Credit may be reduced to reflect any corresponding redemption of Bonds) without the written consent of the Trustee. The Trustee may, without the consent of the owners of the Bonds, consent to any amendment of the Letter of Credit as may be required (a) for purposes of curing any ambiguity, formal defect or omission which, in the Trustee's judgment, does not prejudice in any material respect the interests of the Bondholders and (b) pursuant to Section 3.7(c) of the Loan Agreement as a result of a conversion of the Bonds to a Fixed Rate. Except for such amendments, the Letter of Credit may be amended only with the consent of the Issuer, the Trustee and the owners of a majority in aggregate principal amount of Outstanding Bonds, except that no such amendment may be made which would reduce the amounts required to be paid thereunder, extend the time for payment of such amounts or accelerate the expiration date of the Letter of Credit without the written consent of the owners of all Outstanding Bonds. The foregoing shall not limit the Trustee's obligation to send notice to the Bank to reduce amounts available to be drawn under the Letter of Credit under the circumstances set forth therein.

Copies of any such amendments, changes or modifications to the Letter of Credit (including any renewal, reissuance or extension of the Letter of Credit) shall be filed with the Trustee, the Bank and the Rating Agency, if the Bonds are then rated, not less than ten (10) days prior to the effective date of any such amendments, changes or modifications to the Letter of Credit.

The Trustee may, with the consent of the Bank but without the consent of the owners of the Bonds, consent to any amendment of the Promissory Note as may be required for purposes of curing any ambiguity, formal defect or omission which, in the Trustee's judgment, does not prejudice in any material respects the interests of the Bondholders. Except for such amendments, the Promissory Note may be amended only with the consent of the Issuer, the Trustee, the Bank and the owners of a majority in aggregate principal amount of Outstanding Bonds, except that no such amendment may be made which would reduce the amounts required to be paid or the time for payment of such amounts under the Promissory Note without the written consent of the owners of all the Outstanding Bonds.

Copies of any such amendments, changes or modifications to the Promissory Note shall be filed with the Trustee, the Bank and the Rating Agency, if the Bonds are then rated, not less than ten (10) days prior to the effective date of such amendments, changes or modifications to the Promissory Note.

SECTION 806. Notice to and Consent of Bondholders. If consent of the Bondholders is required under the terms of this Indenture for the amendment of this Indenture, the Loan Agreement, the Letter of Credit, or the Promissory Note for any other similar purpose, the Trustee shall cause notice of the proposed execution of the amendment or supplemental indenture to be given by first class mail to the last known holders of the Outstanding Bonds then shown on the Bond Register. Such notice shall briefly set forth the nature of the proposed amendment, supplemental indenture or other action and shall state that copies of any such amendment, supplemental indenture or other document are on file at the designated corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Trustee following the mailing of such notice the holders of a majority or all, as the case may be, of the principal amount of the Bonds Outstanding by instruments filed with the Trustee shall have consented to the amendment, supplemental indenture or other proposed action, then the Trustee may execute such amendment, supplemental indenture or other document or take such proposed action and the consent of the Bondholders shall thereby be conclusively presumed.

SECTION 807. Waivers. The Trustee shall not waive on its own behalf or on behalf of the Issuer any obligation of the Borrower under the Loan Agreement without the consent of the Bank and the Trustee shall do so if directed by the Bank.

SECTION 808. Amendments to Indenture; Consent of Borrower. Anything herein to the contrary notwithstanding, a supplemental indenture, amendment or other document described under this Article VIII which affects any rights or obligations of the Borrower shall not become effective unless and until the Borrower consents to the execution of such supplemental indenture, amendment or other document.

(END OF ARTICLE VIII)

If to the Borrower: Parkway Christian Church, Inc.

1200 South Flamingo Road
Davie, Florida 33325

If to the Trustee: The Bank of New York Trust Company, N.A.
300 N. Meridian Street, Suite 910
Indianapolis, Indiana 48226
Attention: Corporate Trust Department

If to the Bank: Fifth Third Bank
Attn: International Department
38 Fountain Square Plaza
MD#10903C
Cincinnati, Ohio 45263

If to the
Remarketing Agent: Fifth Third Securities, Inc.
38 Fountain Square Plaza
MD#10903B
Cincinnati, Ohio 45263
Attn: Municipal Trading

The Issuer, the Borrower, the Bank, the Trustee and the Remarketing Agent, by notice given hereunder, may designate any different addresses to which subsequent notices, certificates or other communications shall be sent, but no notice directed to any one such entity shall thereby be required to be sent to more than two addresses. All notices to the Bondholders shall be sufficiently given when mailed by first class mail, postage pre-paid, to the Bondholders at the addresses last appearing on the Bond Register.

SECTION 905. Notices to Rating Agencies. The Trustee shall provide the Rating Agency, if the Bonds are then rated, with prior written notice, following its receipt of written notice of such events, of (a) the appointment of any successor Trustee, (b) any amendments to the Indenture, the Loan Agreement or the Letter of Credit, (c) the defeasance of the Bonds, (d) any redemption of the Bonds, and (e) any acceleration of the Bonds. The Borrower shall provide the Trustee with notice, or advance notice to the extent required by the Loan Agreement or the Indenture, of any of the events specified in this Section 905 in order to permit the Trustee to timely comply with the notice requirements hereof. Each notice to a Rating Agency hereunder shall be directed to the address provided by such Rating Agency.

SECTION 906. Payments Due on Non-Business Days. In any case where the date of maturity of interest on or premium, if any, or principal of the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of such

interest, premium or principal need not be made on such date but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of such payment, no interest shall accrue for the period from and after such date.

SECTION 907. Interest Computation. The interest on the Bonds shall be computed on the basis of a 365/366-day year, as the case may be, on actual days elapsed prior to the Conversion Date and a 360-day year comprised of twelve 30-day months thereafter.

SECTION 908. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in this Indenture.

SECTION 909. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

SECTION 910. Governing Law. This Indenture shall be governed by and interpreted in accordance with the laws of the State.

SECTION 911. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(END OF ARTICLE IX)

IN WITNESS WHEREOF, the Issuer has executed this Indenture by one of its members and authorized officers and the Trustee has caused this Indenture to be executed in its name by its duly authorized officer, all as of the day and year first above written.

This instrument prepared by Richard C. Starkey, Attorney-at-Law, Barnes & Thornburg LLP, 11 S. Meridian Street, Indianapolis, Indiana 46204.

SECTION 29. SIGNATURE PAGE OF ISSUER

TO
TRUST INDENTURE

TOWN OF DAVIE, FLORIDA

Mayor

ATTEST:

Town Clerk

SIGNATURE PAGE OF TRUSTEE
TO
TRUST INDENTURE

THE BANK OF NEW YORK TRUST
COMPANY, N.A.

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

A. EXHIBIT A

SECTION 30. FORM OF VARIABLE RATE SERIES 2007 BOND

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

UNITED STATES OF AMERICA

TOWN OF DAVIE, FLORIDA
 EDUCATIONAL FACILITIES REVENUE BOND
 SERIES 2007
 (PARKWAY CHRISTIAN SCHOOL PROJECT)

No. R-_____

RATE	A.	INTEREST DATE	B.	MATURITY DATE	C.	ISSUE
	E.		G.		A.	
	F.	Variable	<u>SECTION 31.</u>	November	<u>SECTION 32.</u>	Novem
		1, 2027		___, 2007		

Registered Owner: Cede & Co.

Principal Amount: \$2,500,000

FOR VALUE RECEIVED, the Town of Davie, Florida (the “Issuer”) hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, at the designated corporate trust office of the Trustee named below, on the Maturity Date specified above, unless redeemed prior thereto, the Principal Amount specified above, together with interest thereon at the rates determined as set forth herein from the date hereof or such later date to which interest has been paid, but only from the sources and in the manner hereinafter provided on each Interest Payment Date (as hereinafter defined) until the principal hereof is paid or duly provided for upon redemption or maturity. Payment of the principal of, premium, if any, and interest on this Bond shall be made in lawful money of the United States of America which at the time of payment is legal tender for payment of public and private debts. Unless other arrangements are made pursuant to Section 202 of the Indenture, interest is payable by check or draft of the Trustee mailed, when due, to the registered holder hereof at the close of business on the Record Date (as hereinafter defined) immediately preceding any Interest Payment Date at the address of such holder as it appears on the Bond Register maintained by the Trustee.

Interest on this Bond shall be computed on the basis of a 365/366-day year, as the case may be, on actual days elapsed prior to the Conversion Date (as hereinafter defined) and a 360-day year consisting of twelve months of thirty days each thereafter.

This Bond is one of an authorized series of bonds of the Issuer designated “Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project)” and issued in the aggregate principal amount of \$2,500,000 (the “Bonds”), for the

purpose of making a loan of the full principal amount of the Bonds to Parkway Christian Church, Inc., an Florida nonprofit corporation (the “Borrower”), in accordance with the Loan Agreement between the Issuer and the Borrower dated as of November 1, 2007 (the “Loan Agreement”), so as to enable the Borrower to acquire, construct, rehabilitate, install and equip the Project (as defined in the Indenture).

The Bonds are issued pursuant to and in full compliance with the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law as supplemented and amended (the “Act”), and pursuant to an resolution of the Issuer adopted on November 7, 2007 (the “Resolution”) and a Trust Indenture (the “Indenture”) dated as of November 1, 2007, between the Issuer and The Bank of New York Trust Company, N.A., as Trustee (the “Trustee”).

The Bonds and interest due thereon shall not be a general obligation, a debt or a liability of the Issuer or an obligation, debt or liability of the State of Florida and do not constitute or give rise to any pecuniary liability or charge against the general credit of the Issuer or the credit or taxing power of the State of Florida, but shall be limited obligations of the Issuer payable solely from and secured by the “Security,” including the moneys available to be drawn by the Trustee under a certain letter of credit (the “Original Letter of Credit,” and together with any Alternate Letter of Credit (as defined in the Indenture) delivered to and accepted by the Trustee in accordance with the Loan Agreement, the “Letter of Credit”), issued by Fifth Third Bank, an Ohio banking corporation (together with the issuer of any alternate or replacement letter of credit delivered to and accepted by the Trustee in accordance with the Loan Agreement, the “Bank”), all as defined in and subject to limitations set forth in the Indenture, for the equal and ratable benefit of the holders, from time to time, of the Bonds (the “Bondholders”), except as otherwise provided in the Indenture. Reference is hereby made to the Indenture for a description of the nature and extent of the Security, and to the Letter of Credit for the terms thereof. The Original Letter of Credit is being issued pursuant to the terms of a Reimbursement and Pledge Agreement (the “Reimbursement Agreement”) dated November 1, 2007, between the Bank and the Borrower.

The Bonds are issuable as fully registered Bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof (an “Authorized Denomination”). This Bond, upon surrender hereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the registered holder hereof or his attorney duly authorized in writing, may, at the option of the registered holder hereof, be exchanged for an equal aggregate principal amount of Bonds of any other Authorized Denomination. This Bond is transferable as provided in the Indenture, subject to certain limitations therein contained, only upon the Bond registration books of the Issuer kept by the Trustee (the “Bond Register”), and only upon surrender of this Bond for transfer to the Trustee duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered holder hereof or his attorney duly authorized in writing. Thereupon, one or

more new Bonds of Authorized Denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees.

Any service charge made by the Trustee for any such registration, transfer or exchange hereinbefore referred to shall be paid by the Borrower. The Trustee or the Issuer may require payment by the Bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Neither the Issuer nor the Trustee shall make any such exchange or registration of transfer of any Bond after notice calling such Bond for redemption or partial redemption has been given and prior to such redemption.

The Issuer, the Borrower, the Trustee and any other agent of the Issuer may treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for all purposes, except that payment of or on account of either principal, premium, if any, or interest shall be made only to or upon the order of the holder of record as of the Record Date or its duly authorized attorney, but such registration may be changed as provided in the Indenture. Neither the Issuer, the Borrower, the Trustee nor any other such agent shall be affected by notice to the contrary.

a) Interest Rates on the Bonds

(a) Interest on the Bonds will be payable at the Variable Rate (as hereinafter defined) from the Issue Date until the earlier of the date on which the interest on the Bonds is converted to the Fixed Rate (the "Conversion Date") or the date of payment in full of the Bonds (the "Variable Rate Period"). During the Variable Rate Period, the Variable Rate shall be determined by Fifth Third Securities, Inc., Cincinnati, Ohio, as Remarketing Agent under the Indenture (together with any successor Remarketing Agent under the Indenture, the "Remarketing Agent"), by 4 p.m. Eastern Time on each Thursday (or the immediately preceding Business Day if Thursday is not a Business Day) for the next Calendar Week (as hereinafter defined) and shall be the rate of interest which, if borne by the Bonds, would, in the judgment of the Remarketing Agent, having due regard to the prevailing financial market conditions for tax-exempt revenue bonds or other tax-exempt securities of the same general nature as the Bonds or tax-exempt securities which are comparable as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of the Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to remarket the Bonds at a price of par (exclusive of accrued interest, if any) at the time such interest rate is determined. The Variable Rate as so determined shall be uniform during each Calendar Week for all Bonds. Notwithstanding the foregoing, the Variable Rate shall not exceed the lesser of 10% per annum or the maximum rate permitted by applicable law. If no Remarketing Agent shall be serving under the Indenture, or if for any reason the Remarketing Agent has not determined the Variable Rate on a Thursday (or immediately preceding Business Day if Thursday is not a Business Day) for the next Calendar Week, the Variable Rate effective for such Calendar Week shall be the Variable Rate most recently determined by the Remarketing Agent as aforesaid.

As used herein, "Calendar Week" means the period of seven days from and including Friday to and including the following Thursday; provided, however that the first Calendar Week means the period from the date on which the Bonds are delivered to the purchaser or purchasers thereof upon original issuance to and including the following Thursday, unless the date on which the Bonds are delivered is a Thursday, in which case the first Calendar Week shall consist of that Thursday only.

(b) The Bonds shall bear interest at the Fixed Rate (as hereinafter defined) from and including the Conversion Date until the payment in full of the Bonds (the "Fixed Rate Period"). The Fixed Rate for the Bonds shall be determined by the Remarketing Agent on a date which is not more than twelve (12) Business Days nor less than five (5) Business Days prior to the Conversion Date (the "Computation Date") and shall be the rate determined by the Remarketing Agent on the Computation Date to be the rate which, if borne by the Bonds would, in the judgment of the Remarketing Agent having due regard to prevailing market conditions for tax-exempt revenue bonds or other tax-exempt securities comparable to the Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to remarket the Bonds or portion thereof tendered (or deemed to have been tendered) for purchase at a price of par (exclusive of accrued interest, if any) on the Computation Date; provided, however, that the Fixed Rate shall not exceed the maximum rate permitted by applicable law. If for any reason the Remarketing Agent fails to determine the Fixed Rate by the close of business on the fifth Business Day preceding the proposed Conversion Date, the Bonds shall continue to bear interest at the Variable Rate determined in accordance with the Indenture.

(c) The determination of the Variable Rate or the Fixed Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Remarketing Agent and the Bondholders.

(d) In determining the interest rate that the Bonds shall bear as provided herein, neither the Remarketing Agent nor the Trustee shall have any liability to the Issuer, the Borrower, the Trustee or any Bondholder except for its gross negligence or willful misconduct.

As used herein, "Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in the city in which the designated corporate trust office of the Trustee (or its bond registrar, paying agent or tender agent offices) is located or the principal office of the Remarketing Agent is located or the office of the Bank at which action is to be taken to realize moneys under the Letter of Credit are required or authorized by law or executive order to be closed, or (iv) a day on which the New York Stock Exchange is closed.

As used herein, "Interest Payment Date" means, (i) during the Variable Rate Period, the first Business Day of each month, commencing on December 1, 2007, (ii) the Conversion Date, and (iii) following the Conversion Date, each May 1 and November 1.

As used herein, “Record Date” means with respect to each Interest Payment Date (i) on and prior to the Conversion Date, the Trustee’s close of business on the Business Day next preceding such Interest Payment Date, and (ii) after the Conversion Date, the Trustee’s close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date, regardless whether such day is a Business Day.

b) Conversion of Interest Rate on the Bonds

(a) During the Variable Rate Period, the interest rate on the Bonds, at the option of the Borrower, shall be converted from the Variable Rate to the Fixed Rate, upon delivery by the Borrower to the Trustee, the Remarketing Agent, the Bank and the Issuer:

(i) on any Business Day of any calendar month during the Variable Rate Period, of (A) a notice (the “Conversion Notice”) stating that the Borrower has elected to convert the interest rate on the Bonds to the Fixed Rate and specifying the proposed Conversion Date, which date shall be a Business Day at least 45 days after the date on which the Trustee receives the Conversion Notice, (B) a written commitment from the Bank to amend the Letter of Credit then in effect or another bank to issue an Alternate Letter of Credit, in either case to be effective on the proposed Conversion Date and meeting the requirements of the Loan Agreement, and (C) an opinion of Bond Counsel stating that under the laws existing on the date of the Conversion Notice, the conversion of the interest rate on the Bonds to the Fixed Rate will not cause the interest on the Bonds to be included in gross income for federal income tax purposes, and

(ii) by 10:00 a.m. prevailing time at the Trustee’s designated corporate trust office on the Business Day immediately preceding the proposed Conversion Date, of (A) a supplemental opinion of Bond Counsel stating that under the laws existing on such date, (1) the conversion of the interest rate on the Bonds will not cause the interest on the Bonds to be included in gross income for federal income tax purposes and (2) the Fixed Rate does not exceed the maximum rate permitted by applicable law; and (B) an amendment to the Letter of Credit then in effect or an Alternate Letter of Credit, in either case to be effective on the proposed Conversion Date and meeting the requirements of the Loan Agreement.

(b) If (i) the Trustee receives written notification from the Borrower by 10:00 a.m. prevailing time at the Trustee’s designated corporate

trust office on the Business Day immediately preceding the proposed Conversion Date of the Borrower's decision not to elect the conversion of the interest rate on the Bonds to the Fixed Rate on the proposed Conversion Date, or (ii) the Borrower fails to satisfy the conditions described in paragraph (a)(ii) above by 10:00 a.m. prevailing time of the Trustee's designated corporate trust office on the Business Day immediately preceding the proposed Conversion Date, or (iii) the Remarketing Agent fails to determine the Fixed Rate by the close of business on the fifth Business Day preceding the proposed Conversion Date, the interest rate on the Bonds shall not be converted to the Fixed Rate on the proposed Conversion Date. In such event, the Bonds shall bear interest for the remaining portion of the current interest rate period at the Variable Rate then in effect, or for an interest rate period of the Variable Rate in effect for the immediately preceding interest rate period, and will continue to remain outstanding in accordance with the terms of this Indenture as if no such election had been made by the Borrower to convert the interest rate borne by the Bonds to the Fixed Rate; provided, however, that the Bonds will continue to be subject to mandatory tender on the proposed Conversion Date pursuant to Section 206 of the Indenture.

(c) No conversion of the interest rate on the Bonds shall occur as provided herein if at the time of such conversion an Event of Default shall have occurred under the Indenture and be continuing with respect to the Bonds.

(d) No Conversion Notice may be given if a Mandatory Tender Date has been established and is existing pursuant to the Indenture.

(e) The Bonds shall not be subject to optional or mandatory tender for purchase as provided herein after the Conversion Date.

“Bond Counsel” means a firm of nationally recognized attorneys at law acceptable to the Issuer experienced in legal work relating to the issuance of bonds the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended.

c) Optional Tender of Bonds for Purchase

The owner hereof shall have the right to tender this Bond or a portion hereof (in Authorized Denominations) to the Trustee as tender agent for purchase as a whole or in part (in any Authorized Denomination) on any Business Day during the Variable Rate Period, but not thereafter, at a Purchase Price equal to 100% of the principal amount hereof tendered plus accrued interest to the specified purchase date, in accordance with the Indenture. In order to exercise such option with respect to this Bond or any portion hereof, the owner hereof must give to the Trustee as tender agent at its designated corporate trust office by the opening of business at such office on a Business Day which is at least seven (7) days immediately preceding the proposed purchase date (i) telephonic notice of tender (which telephonic notice must be confirmed by written notice, which may be by facsimile transmission, of tender received by the Trustee as tender agent on a Business Day not more than two (2) Business Days after such notice) or (ii) written notice, which may be by facsimile transmission, of tender to the Trustee as tender agent (which written notice of tender shall be in the form attached hereto or shall be in such other form acceptable to the Trustee). If the Bonds are in a book-entry only system, such notice of tender may be given, or caused to be given, by any Beneficial Owner of Bonds (through its Participant in the Depository, each as defined in the Indenture) to the Trustee and delivery of such Bonds shall be effected by causing such Participant to transfer its interest in the Bonds equal to such Beneficial Owner's interest on the records of the Depository to the participant account of the Trustee with the Depository. Upon the delivery of such written notice of tender, such election to tender shall be irrevocable and binding upon the owner (or Beneficial Owner) hereof. At or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on the specified purchase date, the Registered Owner or Beneficial Owner of each Bond as to which any such notice of tender shall have been given shall deliver his Bond and an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bonds or in such other form acceptable to the Trustee) to the Trustee, as tender agent, at its designated corporate trust office and, on the specified purchase date, the Trustee as tender agent shall purchase such Bond only out of funds made available to it for such purpose, or cause such Bond to be purchased, at a Purchase Price equal to the principal amount thereof plus accrued interest, if any. If the Bonds are in a book-entry only system, the requirement for physical delivery of the Bonds in connection with a demand for purchase hereunder shall be deemed satisfied when the ownership rights in the Bonds are transferred by Participants on the records of the Depository to the participant account of the Trustee. The owners of the Bonds, by their acceptance of the Bonds, covenant and agree to tender their Bonds in the manner and at the times aforesaid. If any Bond is not so tendered after notice of tender from the owner thereof (an "Unsurrendered Bond"), and there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture moneys specified in Section 403(b) of the Indenture in an amount sufficient to pay the Purchase Price of such Bond and all other Bonds so tendered or deemed tendered for purchase on such specified purchase date, such Bond shall be deemed to have been tendered by the owner thereof and purchased from such owner on the specified purchase date, and the owner thereof shall not be entitled to receive interest on such Bond on and after the specified purchase date. Upon surrender of

any Unsurrendered Bond to the Trustee, the Trustee shall pay to the owner of such Unsurrendered Bond only an amount equal to the Purchase Price of such Unsurrendered Bond due on such purchase date. The Trustee shall, in its sole discretion, determine whether, with respect to any Bond, the owner thereof shall have properly exercised the option to have his Bond purchased as a whole or in part.

d) Mandatory Tender of Bonds for Purchase

The Registered Owner hereof shall be required to tender this Bond to the Trustee as tender agent for purchase on (i) each Business Day specified by the Borrower as the Conversion Date (a “Proposed Conversion Date”), and (ii) the Business Day which is two (2) Business Days prior to the date upon which the Letter of Credit then in effect is to be substituted with an Alternate Letter of Credit in accordance with the terms of the Indenture and the Loan Agreement (each a “Mandatory Tender Date”). Notice of a Mandatory Tender Date shall be given by the Trustee by facsimile or registered or certified mail, return receipt requested, to the Registered Owner hereof at his address appearing on the Bond Register, not less than 30 nor more than 45 days prior to such Mandatory Tender Date. Such notice of mandatory tender shall (i) specify the Mandatory Tender Date and state that the Mandatory Tender Date is a proposed Conversion Date or the Business Day which is two (2) Business Days prior to the date on which the Letter of Credit will be substituted with an Alternate Letter of Credit and that the Trustee will therefore no longer be permitted to make drawings under the Letter of Credit then in effect, (ii) if such Mandatory Tender Date is a Proposed Conversion Date, state that such conversion to the Fixed Rate will not occur if the conditions described in paragraph (a)(2) above under the heading “Conversion of Interest Rate on the Bonds” are not satisfied but that such mandatory tender will still occur on the Proposed Conversion Date, and (iii) state that this Bond must be tendered by the Registered Owner hereof for purchase at or before 10:00 a.m., prevailing time at the Trustee’s designated corporate trust office, on the Mandatory Tender Date to the Trustee as tender agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or such other form acceptable to the Trustee as tender agent), and that this Bond shall thereupon be purchased on the Mandatory Tender Date at a Purchase Price equal to the principal amount hereof plus accrued interest, if any, and if this Bond is not so tendered (an “Unsurrendered Bond”), but there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture an amount sufficient to pay the Purchase Price of this Bond and all other Bonds so tendered or deemed tendered for purchase on the Mandatory Tender Date, this Bond shall be deemed to have been tendered for purchase by the Registered Owner hereof and purchased from such owner on the Mandatory Tender Date.

This Bond shall be tendered by the owner hereof to the Trustee as tender agent for purchase at or before 10:00 a.m., prevailing time at the Trustee’s designated corporate trust office, on each Mandatory Tender Date, by delivering this Bond to the Trustee as tender agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer

shall be in the form provided on this Bond or such other form acceptable to the Trustee), and on such Mandatory Tender Date the Trustee as tender agent shall purchase this Bond, or cause this Bond to be purchased, at a Purchase Price equal to the principal amount hereof, plus accrued interest, if any, and the Registered Owner of this Bond, by his acceptance hereof, hereby covenants and agrees to tender this Bond in the manner and at the time as aforesaid. If the Bonds are in a book-entry only system, a Beneficial Owner shall effect delivery of this Bond by causing its Participant in the Depository to transfer such Participant's interest in the Bonds equal to the Beneficial Owner's interest on the records of the Depository to the participant account of the Trustee with the Depository and the requirement for physical delivery of this Bond shall be deemed satisfied when the ownership rights in this Bond are transferred by such Participant on the records of the Depository. If this Bond is not tendered at or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on a Mandatory Tender Date, and there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture an amount sufficient to pay the Purchase Price hereof and all other Bonds tendered or deemed tendered for purchase on such Mandatory Tender Date, this Bond shall be deemed to be tendered by the Registered Owner hereof and purchased from such owner on such Mandatory Tender Date, and the Registered Owner hereof shall not be entitled to receive interest on this Unsurrendered Bond on and after such Mandatory Tender Date. Upon surrender after a Mandatory Tender Date of an Unsurrendered Bond to the Trustee, the Trustee shall pay to the Registered Owner of such Unsurrendered Bond only an amount equal to the Purchase Price of such Unsurrendered Bond due on such Mandatory Tender Date.

The Bonds are not subject to redemption prior to maturity except as hereinafter provided.

e) Optional Redemption

On or prior to the Conversion Date, the Bonds are subject to redemption prior to maturity, at the option of the Borrower, but subject to the receipt by the Trustee of the written consent of the Bank, at any time upon the giving of notice of redemption, in whole or in part in Authorized Denominations, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

f) Mandatory Redemption

The Bonds shall be called for redemption in the event (1) insurance or condemnation proceeds are deposited in the Bond Fund pursuant to Article VII of the Loan Agreement or (2) of a Determination of Taxability (as defined in the Indenture). If called for redemption pursuant to (1) above, the Bonds shall be subject to redemption to the extent of such insurance or condemnation proceeds deposited in the Bond Fund at any time upon the giving of such notice of redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. If called pursuant to (2) above, the Bonds shall be subject to redemption by the earliest practicable date for which notice can be given following a Determination of Taxability at 100% of the aggregate principal amount of Bonds outstanding plus accrued interest to the redemption date.

g) Special Mandatory Redemption Upon Expiration of Letter of Credit

In the event that, at least 60 days prior to the stated expiration date of the Letter of Credit then in effect, the Trustee has not been provided with an extension of such Letter of Credit or on Alternate Letter of Credit for a period of not less than one year ending on a November 15, then the Bonds will be called for special mandatory redemption on the interest payment date next preceding the stated expiration date of the then existing Letter of Credit at a redemption price of 100% of principal amount plus accrued interest to the redemption date.

During the Variable Rate Period, the Borrower shall have the right to purchase in lieu of redemption all or a portion of the Bonds to be redeemed pursuant to the preceding paragraph by delivering to the Trustee on or prior to the redemption date (a) (i) an Alternate Letter of Credit and all opinions as required by Section 3.7 of the Loan Agreement or (ii) an extension of the Letter of Credit then in effect for a period of not less than one year ending on a November 15, and (b) a written notice specifying the principal amount of Bonds to be so purchased. As and when Bonds to be so purchased by the Borrower are delivered to the Trustee, the Trustee shall pay the Purchase Price for such Bonds (which shall be equal to the scheduled redemption price) from moneys drawn under the Letter of Credit and shall hold such Bonds as Pledged Bonds until such time as such Bonds are remarketed by the Remarketing Agent pursuant to the Indenture; provided that if such funds are on deposit with the Trustee to pay the Purchase Price of such Bonds on the date fixed for redemption, Bonds to be so purchased by the Borrower which are not delivered to the Trustee on such date shall nonetheless be deemed to have been tendered for purchase of and to have been purchased by the Borrower, which shall thereafter be the owner of such Bonds for all purposes. Bonds so purchased by the Borrower shall not be cancelled on the scheduled redemption date but shall be treated as if tendered for purchase pursuant to the Indenture.

h) Partial Redemption

If less than all the outstanding Bonds are called for redemption, the Trustee shall select, or arrange for the selection of, the Bonds to be redeemed by lot, in such manner as it shall in its discretion determine; provided that any such Bonds selected for redemption shall be in Authorized Denominations. Notwithstanding the foregoing, Bonds pledged to the Bank (“Pledged Bonds”) pursuant to the Reimbursement Agreement (as defined in the Indenture) and Bonds held for the account of the Borrower or any affiliate of the Borrower (“Borrower Bonds”) shall be first selected by the Trustee for redemption before any other Bonds are selected for redemption. If less than the principal amount of a Bond is called for redemption, the Issuer shall execute and the Trustee shall authenticate and deliver, upon surrender of such Bond, without charge to the owner thereof, in exchange for the unredeemed principal amount of such Bond, at the option of such owner, Bonds in any of the Authorized Denominations.

i) Notice of Redemption

Upon receipt by the Trustee of a written direction from the Borrower stating that it intends to exercise its option to prepay the loan repayments under the Loan Agreement and thereby effect redemption of the Bonds, which notice must be received by the Trustee at least 45 days prior to the date on which that the Bonds shall be redeemed (except for sinking fund redemptions, a special mandatory redemption upon expiration of the Letter of Credit or a mandatory redemption upon a Determination of Taxability, which shall not require any such notice to the Trustee), notice of redemption shall be mailed by the Trustee by first class mail at least 30 days but not more than 45 days before the redemption date to each holder of the Bonds to be redeemed in whole or in part at its last address appearing on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond or a portion thereof with respect to which no such failure or defect has occurred. In addition, the Trustee may give such other notice or notices as may be recommended in releases, letters, pronouncements or other writings of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Bondholder receives the notice. All Bonds so called for redemption will cease to bear interest on the specified date set for redemption, provided funds for their redemption have been duly deposited with the Trustee pursuant to the Indenture and, thereafter, the holders of such Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Trustee and a new Bond for any portion not redeemed.

If provision is made for the payment of principal of, premium, if any, and interest on this Bond in accordance with the Indenture, this Bond shall no longer be deemed outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture, and shall thereafter be payable solely from the funds provided for payment.

Under certain circumstances as described in the Indenture, the principal of all the Bonds may be declared due and payable in the manner and with the effect provided in the Indenture. The Indenture directs the Trustee to declare an acceleration upon the occurrence of an event of default under the Reimbursement Agreement if directed to do so by the Bank. Except in certain circumstances related to payment of principal and Purchase Price of and premium, if any, and interest on the Bonds or the wrongful dishonor by the Bank of a draft or other request for payment under the Letter of Credit, the Trustee has the right to accelerate the outstanding balance of the Loan and the principal of the Bonds in certain events only with the Bank's consent, if the Letter of Credit is in effect, all as provided in more detail in the Indenture. Immediately following any such declaration of acceleration, the Trustee shall mail notice of such declaration by first class mail to each holder of Bonds at his last address appearing on the Bond Register. Any defect in or failure to give such notice of such declaration shall not affect the validity of such declaration.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations (if any) of the Issuer, the Borrower, the Bank and the holders of the Bonds at any time with the consent of the Bank and the holders of a majority in aggregate principal amount of the Bonds at the time outstanding which are affected by such modifications. The Indenture also permits amendments and supplements to the Indenture and the Loan Agreement, without requiring the consent of any Bondholders, but with the consent of the Bank, in certain specifically described instances. The Indenture also contains provisions permitting, subject to the Bank's consent, holders of a majority in aggregate principal amount of the Bonds at the time outstanding, on behalf of all the holders of all Bonds, to waive compliance by the Issuer and the Borrower with certain provisions of the Indenture and their consequences. Any such consent or waiver by the holder of this Bond shall be conclusive and binding upon such holder and on all future holders of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond. Supplements and amendments to the Indenture or the Loan Agreement may be made only to the extent and in circumstances permitted by the Indenture.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or the Loan Agreement, or to institute action to enforce the covenants therein, or to take any action with respect to a default under the Indenture or the Loan Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided under certain limited circumstances described in the Indenture; provided, however, that nothing contained in the Indenture shall affect or impair any right of enforcement conferred on the holder hereof by the Act to enforce (i) the payment of the principal of and premium (if any) and interest on this Bond at and after the maturity thereof, or (ii) the obligation of the Issuer to pay the principal of and premium (if any) and interest on this Bond to the holder hereof at the time, place, from the source and in the manner as provided in the Indenture.

The holder of this Bond, by acceptance hereof, consents to all of the terms and provisions of the Indenture and the Loan Agreement.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the issuance of this Bond and the issue of which it is a part, do exist, have happened and have been timely performed in regular form and manner as required by law, and the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation of the Issuer.

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

IN WITNESS WHEREOF, Town of Davie, Florida has executed this Bond by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its Town Clerk and has caused its seal (or a facsimile thereof) to be impressed or imprinted hereon, all as of the Issue Date set forth above.

TOWN OF DAVIE, FLORIDA

Mayor

ATTEST:

Town Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

THE BANK OF NEW YORK TRUST
COMPANY, N.A.

ii.

iii.

By:

Authorized Officer

B. ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

(Taxpayer I.D. No. _____)

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney to transfer such Bond on the books kept for registration

and transfer of the within Bond, with full power of substitution in the premises.

Dated: _____

Signature

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

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17AD-15 (17 CFR 240.17AD-15) participating in a Securities Transfer Association recognized signature guarantee program.

[FORM OF BONDHOLDER TENDER]

SECTION 35. BONDHOLDER TENDER NOTICE

The undersigned hereby elects to have the Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project), numbered _____ (the "Bond"), of Town of Davie, Florida (the "Issuer") (or any portion thereof in any Authorized Denomination) purchased in accordance with the provisions of the Bond and the Trust Indenture (the "Indenture") dated as of November 1, 2007, by and between the Issuer and The Bank of New York Trust Company, N.A., as Trustee (the "Trustee"), on _____, _____ (the "Purchase Date"), which Purchase Date shall be a Business Day at least seven (7) days immediately following the Business Day of the submission of this Bondholder Tender Notice, which may be by facsimile transmission, to the Trustee, as tender agent (unless the undersigned has given telephonic notice of its election to tender the Bond at the opening of business of the Trustee, confirmed by submission of this Bondholder Tender Notice, which may be by facsimile transmission, not more than two (2) Business Days after such telephonic notice, in which event such Purchase Date shall be a Business Day at least seven (7) days immediately following the date of such telephonic notice), at the Purchase Price of 100% of the principal amount thereof being purchased plus accrued interest, if any, to the Purchase Date (the "Purchase Price").

Pursuant to the terms of the Indenture, the Purchase Price of the Bond (or portion thereof) to be purchased shall be paid to the undersigned Registered Owner of the Bond in immediately available funds, which may be remitted by wire transfer to any requesting Owner of the aggregate principal amount of Bonds, as provided in the Indenture, at or before 1:00 p.m., prevailing time at the Tender Agent's designated corporate trust office, on the Purchase Date upon presentation of the Bond to the Trustee, as tender agent, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bond or in such other form acceptable to the Trustee), at or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on the Purchase Date, at or to

The Bank of New York Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, Indiana 46204
Attn: Corporate Trust Department
Telephone: (317) 637-3580
Facsimile: (317) 637-9820

The undersigned hereby acknowledges and agrees to such terms.

This Bondholder Tender Notice shall not be accepted by the Trustee unless it is properly completed and received by the Trustee at its designated corporate trust office.

If the Bond is submitted for purchase in part, the undersigned hereby directs the Trustee to exchange the Bond for (i) a Bond representing the principal amount of the

Bond to be purchased, and (ii) a Bond (or Bonds of Authorized Denominations if the owner specifies the Authorized Denominations) representing the principal amount of the Bond not to be purchased. The Bond or Bonds not to be purchased shall be registered in the same name(s) as the Bond tendered for purchase. Unless the undersigned Registered Owner of the Bond delivers instructions to the Trustee, with this Bondholder Tender Notice, specifying that said owner wishes to have the Tender Agent deliver more than one Bond representing the principal amount of the Bond not to be purchased, and specifying the Authorized Denominations of such replacement Bonds, the Trustee will deliver only one replacement Bond to such owner in the principal amount of the Bond not to be purchased.

THIS ELECTION IS IRREVOCABLE AND BINDING ON THE UNDERSIGNED AND CANNOT BE WITHDRAWN.

The undersigned hereby authorizes the Trustee to accept on behalf of the undersigned the Purchase Price of the Bond (or portion thereof) subject to this Bondholder Tender Notice.

Print or Type

Name(s) of Bondholder(s)

Street City State Zip

(____)_____
Area Code Telephone Number

Signature(s)_____

Date:_____

Note: The signature(s) to this Bondholder Tender Notice must correspond exactly to the name(s) appearing on the registration books of the Issuer maintained by the Trustee, as bond registrar, in every particular, without alteration or enlargement or any change whatsoever.

The principal amount of the Bond subject to this notice of tender for purchase \$_____. (Insert total principal amount of Bond or a portion thereof in the amount of \$100,000 or any integral multiple of \$5,000 in excess thereof).

IF NO AMOUNT IS INDICATED IN THE SPACE ABOVE, THE UNDERSIGNED OWNER OF THE BOND SUBJECT TO THIS BONDHOLDER TENDER NOTICE WILL BE DEEMED TO HAVE TENDERED THE BOND IN ITS FULL PRINCIPAL AMOUNT FOR PURCHASE.

The principal amount of the Bond not subject to this notice of tender for purchase is \$_____. (Must be \$100,000 or any integral multiple of \$5,000 in excess thereof).

A. EXHIBIT B

SECTION 36. FORM OF FIXED RATE SERIES 2007 BOND

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

UNITED STATES OF AMERICA

TOWN OF DAVIE, FLORIDA
EDUCATIONAL FACILITIES REVENUE BOND
SERIES 2007
(PARKWAY CHRISTIAN SCHOOL PROJECT)

No. R-_____

RATE	A. INTEREST	DATE	B. MATURITY	DATE	C. ISSUE
	E.		<u>SECTION 37.</u>		<u>SECTION 39.</u>
	F.		<u>SECTION 38.</u>		

Registered Owner: Cede & Co.

Principal Amount: \$2,500,000

FOR VALUE RECEIVED, Town of Davie, Florida (the “Issuer”) hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, at the designated corporate trust office of the Trustee named below, on

the Maturity Date specified above, unless redeemed prior thereto, the Principal Amount specified above, together with interest thereon at the interest rate specified above from the authentication date hereof or such later date to which interest has been paid, but only from the sources and in the manner hereinafter provided on each May 1 and November 1 (an "Interest Payment Date") until the principal hereof is paid or duly provided for upon redemption or maturity. Payment of the principal of, premium, if any, and interest on this Bond shall be made in lawful money of the United States of America which at the time of payment is legal tender for payment of public and private debts. Unless other arrangements are made pursuant to Section 202 of the Indenture (hereinafter defined), interest is payable by check or draft of the Trustee mailed when due to the registered holder hereof at the close of business on the 15th day of the month immediately preceding any Interest Payment Date at the address of such holder as it appears on the Bond register maintained by the Trustee.

Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve months of thirty days each.

This Bond is one of an authorized series of bonds of the Issuer designated "Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project), and issued in the aggregate principal amount of \$2,500,000 (the "Bonds"), for the purpose of making a loan of the full principal amount of the Bonds to Parkway Christian Church, Inc., an Florida nonprofit corporation (the "Borrower"), in accordance with the Loan Agreement between the Issuer and the Borrower dated as of November 1, 2007 (the "Loan Agreement"), so as to enable the Borrower to acquire, construct, rehabilitate, install and equip the Project (as defined in the Indenture).

The Bonds are issued pursuant to and in full compliance with the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, as supplemented and amended (the "Act"), and pursuant to a resolution of the Issuer adopted on November 7, 2007 (the "Resolution") and a Trust Indenture (the "Indenture") dated as of November 1, 2007, between the Issuer and The Bank of New York Trust Company, N.A., as Trustee (the "Trustee").

The Bonds and interest due thereon shall not be a general obligation, a debt or a liability of the Issuer or an obligation, debt or liability of the State of Florida and do not constitute or give rise to any pecuniary liability or charge against the credit of the Issuer or the credit or taxing power of the State of Florida, but shall be limited obligations of the Issuer payable solely from and secured by the "Security," including the moneys available to be drawn by the Trustee under a certain letter of credit (the "Original Letter of Credit," and together with any Alternate Letter of Credit delivered to and accepted by the Trustee in accordance with the Loan Agreement, the "Letter of Credit"), issued by Fifth Third Bank, an Ohio banking corporation (together with the issuer of any Alternate Letter of Credit delivered to and accepted by the Trustee in accordance with the Loan Agreement, the "Bank"), all as defined in and subject to limitations set forth in the Indenture, for the equal and ratable benefit of the holders, from time to time, of the Bonds (the

“Bondholders”), except as otherwise provided in the Indenture. Reference is hereby made to the Indenture for a description of the nature and extent of the Security, and to the Letter of Credit for the terms thereof. The Letter of Credit is being issued pursuant to the terms of a Reimbursement and Pledge Agreement dated as of November 1, 2007 (the “Reimbursement Agreement”), between the Bank and the Borrower.

The Bonds are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof (an “Authorized Denomination”). This Bond, upon surrender hereof at the designated corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the registered holder hereof or his attorney duly authorized in writing, may, at the option of the registered holder hereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denomination. This Bond is transferable as provided in the Indenture, subject to certain limitations therein contained, only upon the Bond register of the Issuer kept by the Trustee (the “Bond Register”), and only upon surrender of this Bond for transfer to the Trustee duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered holder hereof or his attorney duly authorized in writing. Thereupon, one or more new Bonds of authorized denominations and in the same aggregate principal amount will be issued to the designated transferee or transferees.

Any service charge made by the Trustee for any such registration, transfer or exchange hereinbefore referred to shall be paid by the Borrower. The Trustee or the Issuer may require payment by the Bondholder of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Neither the Issuer nor the Trustee shall make any such exchange or registration of transfer of any Bond after notice calling such Bond for redemption or partial redemption has been given and prior to such redemption.

The Issuer, the Borrower, the Trustee and any other agent of the Issuer may treat the person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for all purposes, except that payment of or on account of either principal, premium, if any, or interest shall be made only to or upon the order of the holder of record as of the Record Date or its duly authorized attorney, but such registration may be changed as provided in the Indenture. Neither the Issuer, the Borrower, the Trustee nor any other such agent shall be affected by notice to the contrary.

The Bonds are not subject to redemption prior to maturity except as hereinafter provided.

a) Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the Borrower, but subject to the receipt by the Trustee of the written consent of the Bank, on or after the dates specified below, in whole at any time or in part in Authorized Denominations on any Interest Payment Date for which notice of redemption can be

given pursuant to the Indenture, at the redemption prices (expressed as percentages of the principal amount so redeemed) set forth in the following table plus accrued interest to the redemption date:

<u>Redemption Date</u> <u>(Dates Inclusive)</u>	<u>Redemption Prices</u>
_____, ____ through _____, ____	____%
_____, ____ through _____, ____	____%
_____, ____ and thereafter	100%

[Complete schedule in accordance with Section 217(a) of the Indenture]

b) Mandatory Redemption

The Bonds shall be called for redemption in the event (1) insurance or condemnation proceeds are deposited in the Bond Fund pursuant to Article VII of the Loan Agreement or (2) of a Determination of Taxability (as defined in the Indenture). If called for redemption pursuant to (1) above, the Bonds shall be subject to redemption to the extent of such insurance or condemnation proceeds deposited in the Bond Fund at any time upon the giving of notice of redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. If called pursuant to (2) above, the Bonds shall be subject to redemption by the Issuer in whole at the earliest practicable date for which notice of redemption can be given following a Determination of Taxability at 100% of the aggregate principal amount of Bonds outstanding plus accrued interest to the redemption date.

c) Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption after the Conversion Date, at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the redemption date, on each _____ 1, commencing on the _____ 1 immediately succeeding the Conversion Date, in the following principal amounts and on the dates set forth below (subject to certain credits provided for in Section 217(c) of the Indenture):

[Complete schedule in accordance with Section 217(c) of the Indenture]

d) Special Mandatory Redemption Upon Expiration of Letter of Credit

In the event that, at least 60 days prior to the stated expiration date of the Letter of Credit then in effect, the Trustee has not been provided with an extension of such Letter of Credit or an Alternate Letter of Credit for a period of not less than five years or the

remaining term of the Bonds, whichever is less, and ending on a _____, then the Bonds will be called for special mandatory redemption on the _____ 1 next preceding the stated expiration date of the then existing Letter of Credit at a redemption price equal to the lesser of (a) 102% of the principal amount thereof plus accrued interest to the redemption date or (b) the redemption price which would apply as of the redemption date if the Bonds were optionally redeemed.

e) Partial Redemption

If less than all the outstanding Bonds are called for redemption, the Trustee shall select, or arrange for the selection of, the Bonds to be redeemed by lot, in such manner as it shall in its discretion determine; provided that any such Bonds selected for redemption shall be in Authorized Denominations. Notwithstanding the foregoing, Bonds held for the account of the Borrower or any affiliate of the Borrower (“Borrower Bonds”) shall be first selected by the Trustee for redemption before any other Bonds are selected for redemption. If less than the principal amount of a Bond is called for redemption, the Issuer shall execute and the Trustee shall authenticate and deliver, upon surrender of such Bond, without charge to the owner thereof, in exchange for the unredeemed principal amount of such Bond, at the option of such owner, Bonds in any of the authorized denominations.

f) Notice of Redemption

Upon receipt by the Trustee of a written direction from the Borrower stating that it intends to exercise its option to prepay the loan repayments under the Loan Agreement and thereby effect redemption of the Bonds, which notice must be received by the Trustee at least 45 days prior to the date on which the Bonds shall be redeemed (except for sinking fund redemptions, a special mandatory redemption upon expiration of the Letter of Credit, or a mandatory redemption upon a Determination of Taxability, which shall not require any such notice to the Trustee), notice of redemption shall be mailed by the Trustee by first class mail at least 30 days but not more than 45 days before the redemption date to each holder of the Bonds to be redeemed in whole or in part at its last address appearing on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond or a portion thereof with respect to which no such failure or defect has occurred. In addition, the Trustee may give such other notice or notices as may be recommended in releases, letters, pronouncements or other writings of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Bondholder receives the notice. All Bonds so called for redemption will cease to bear interest on the specified date set for redemption, provided funds for their redemption have been duly deposited with the Trustee pursuant to the Indenture and, thereafter, the holders of such Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Trustee and a new Bond for any portion not redeemed.

If provision is made for the payment of principal of, premium, if any, and interest on this Bond in accordance with the Indenture, this Bond shall no longer be deemed outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture, and shall thereafter be payable solely from the funds provided for payment.

Under certain circumstances as described in the Indenture, the principal of all the Bonds may be declared due and payable in the manner and with the effect provided in the Indenture. The Indenture directs the Trustee to declare an acceleration upon the occurrence of an event of default under the Reimbursement Agreement if directed to do so by the Bank. Except in certain circumstances related to payment of principal of, premium, if any, and interest on the Bonds or the wrongful dishonor by the Bank of a draft or other request for payment under the Letter of Credit, the Trustee has the right to accelerate the outstanding balance of the Loan and the principal of the Bonds in certain events only with the Bank's consent if the Letter of Credit is in effect, all as provided in more detail in the Indenture to which reference is hereby made. Immediately following any such declaration, the Trustee shall mail notice of such declaration by first class mail to each holder of Bonds at his last address appearing on the Bond Register. Any defect in or failure to give such notice of such declaration shall not affect the validity of such declaration.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations, if any, of the Issuer, the Borrower, the Bank and the holders of the Bonds at any time with the consent of the Bank and the holders of a majority in aggregate principal amount of the Bonds at the time outstanding which are affected by such modifications. The Indenture also permits amendments and supplements to the Indenture and the Loan Agreement, without requiring the consent of any Bondholders in certain specifically described instances. The Indenture also contains provisions permitting holders of a majority in aggregate principal amount of the Bonds at the time outstanding, on behalf of all the holders of all Bonds, to waive compliance by the Issuer and the Borrower with certain provisions of the Indenture and their consequences. Any such consent or waiver by the holder of this Bond shall be conclusive and binding upon such holder and on all future holders of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond. Supplements and amendments to the Indenture or the Loan Agreement may be made only to the extent and in circumstances permitted by the Indenture.

The holder of this Bond shall have no right to enforce the provisions of the Indenture or the Loan Agreement, or to institute action to enforce the covenants therein, or to take any action with respect to a default under the Indenture or the Loan Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided under certain limited circumstances described in the Indenture; provided, however, that nothing contained in the Indenture shall affect or impair any right of enforcement conferred on the holder hereof by the Act to enforce (i) the payment of the principal of and premium, if any, and interest on this Bond at and after the maturity thereof, or (ii) the obligation of the Issuer to pay the principal of and premium, if any, and

interest on this Bond to the holder hereof at the time, place, from the source and in the manner as provided in the Indenture.

The holder of this Bond, by acceptance hereof, consents to all of the terms and provisions of the Indenture and the Loan Agreement.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the issuance of this Bond and the issue of which it is a part, do exist, have happened and have been timely performed in regular form and manner as required by law, and the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation of the Issuer.

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

IN WITNESS WHEREOF, Town of Davie, Florida has executed this Bond by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its Town Clerk and has caused its seal (or a facsimile thereof) to be impressed or imprinted hereon, all as of the Issue Date set forth above.

TOWN OF DAVIE, FLORIDA

Mayor

ATTEST:

Town Clerk

B. CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

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

By: _____

Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

(Taxpayer I.D. No. _____)
the within Bond and does hereby irrevocably constitute and appoint

_____, attorney to transfer such Bond on the books kept for
registration
and transfer of the within Bond, with full power of substitution in the premises.

Dated: _____

Signature

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

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17AD-15 (17 CFR 240.17AD-15) participating in a Securities Transfer Association recognized signature guarantee program.

LOAN AGREEMENT

BETWEEN

TOWN OF DAVIE, FLORIDA,
AS ISSUER

AND

PARKWAY CHRISTIAN CHURCH, INC.,
AS BORROWER

Relating to:

\$2,500,000

TOWN OF DAVIE, FLORIDA
EDUCATIONAL FACILITIES REVENUE BONDS
SERIES 2007
(PARKWAY CHRISTIAN SCHOOL PROJECT)

Dated as of November 1, 2007

The interest of the Town of Davie, Florida in this Loan Agreement has been assigned to The Bank of New York Trust Company, N.A., as trustee under the Trust Indenture, dated as of November 1, 2007, by and between the Town of Davie, Florida and The Bank of New York Trust Company, N.A.

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LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of November 1, 2007 between the TOWN OF DAVIE, FLORIDA, a municipal corporation and political subdivision of the State of Florida (the "Issuer"), and PARKWAY CHRISTIAN CHURCH, INC., an Florida not-for-profit corporation duly organized and validly existing under and by virtue of the laws of the State of Florida (the "Borrower"), under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals hereto shall have the meanings set forth in Article I hereof unless the context or use clearly indicates another meaning or intent).

WITNESSETH:

WHEREAS, the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law (the "Act"), authorizes and empowers the Issuer to issue revenue bonds and loan the proceeds therefrom to an individual or entity for the purpose of making a significant contribution to the economic growth within the municipal boundaries of the Town, providing and preserving gainful employment, providing educational opportunities and serving a public purpose by advancing the economic prosperity and the general welfare of the State and its people, all in accordance with the requirements of the Act, and vests such Issuer with powers that may be necessary to enable it to accomplish such purposes; and

WHEREAS, the Project is of the character and will accomplish the purposes of the Act, will make a significant contribution to the economic growth within the municipal boundaries of the Town, provide and preserve gainful employment, provide educational opportunities and serve a public purpose by advancing the economic prosperity and the general welfare of the State and its people, all in accordance with the requirements of the Act; and

WHEREAS, after giving notice in accordance with the Act and §147(f) of the Code, the Town Council of the Issuer held a public hearing with regard to the proposed financing and then adopted certain resolutions finding the proposed financing will make a significant contribution to the economic growth within the municipal boundaries of the Town, provide and preserve gainful employment, provide educational opportunities and serve a public purpose by advancing the economic prosperity and the general welfare of the State and its people, all in accordance with the requirements of the Act; and

WHEREAS, in order to assist in the financing of the Project and subject to the requirements set forth herein and in the Trust Indenture, dated as of November 1, 2007 (the "Indenture") between the Issuer and The Bank of New York Trust Company, N.A., a national banking association with a designated corporate trust office in Indianapolis, Indiana, as trustee (the "Trustee"), the Issuer has determined to issue the Bonds, pursuant to the Act, in the aggregate principal amount of \$2,500,000; and

WHEREAS, in order to secure said Bonds, the Issuer has entered into the Indenture, which pledges and assigns its rights in the Security to the Trustee for the benefit of the Holders of the Bonds; and

WHEREAS, the Borrower and the Issuer each have full right and lawful authority to enter into this Loan Agreement, and to perform and observe the provisions hereof on their respective parts to be performed and observed;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows, provided that any obligation of the Issuer created by or arising out of this Loan Agreement shall be a special obligation of the Issuer and shall never constitute a debt or a pledge of the faith and credit or the taxing power of the Issuer, the State of Florida (the "State") or any political subdivision or taxing district thereof, but shall be payable solely out of the Security, anything herein contained to the contrary by implication or otherwise notwithstanding:

ARTICLE I DEFINITIONS

All terms used herein which are defined in the Indenture identified below shall have the meanings therein set forth, which definitions are by this reference incorporated herein and made a part of this Agreement. In addition to the terms elsewhere defined in this Agreement, the words "this Agreement" as used herein shall mean this Loan

Agreement and the following terms used in this Agreement (including the preamble) shall have the following meanings unless the context indicates a different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined:

“Authorized Borrower Representative” means such person at the time and from time to time designated to act on behalf of the Borrower by written certificate furnished to the Issuer, the Bank and the Trustee, containing the specimen signature of such person, signed on behalf of the Borrower by the member(s) of the Borrower. Such certificate may designate an alternate or alternates.

“Bond” or “Bonds” means the Issuer’s Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project) issued pursuant to the Indenture.

“Costs of the Project” means (a) the refinancing of existing debt of the Borrower for costs previously incurred for the construction of a school; (b) Issuance Costs; (c) all other costs relating to the Project to the extent that (i) such costs are eligible for payment under the Act, and (ii) payment of such costs will not cause the interest on the Bonds to be included in gross income for federal income tax purposes; and (d) other costs of a nature comparable to those described in clauses (a) through (c) above which the Borrower shall be required to pay as a result of the damage, destruction, condemnation or taking of the Project or any portion thereof.

“Indenture” means the Trust Indenture dated as of November 1, 2007 between the Issuer and The Bank of New York Trust Company, N.A., as trustee, as the same may be amended or supplemented from time to time as permitted thereby.

“Issuance Costs” means items of expense payable or reimbursable directly or indirectly by the Issuer or the Borrower and related to the authorization, sale and issuance of the Bonds and authorization and execution of this Agreement, which items of expense shall include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, bond counsel and counsel fees, costs of credit ratings, initial fees of the Trustee, Underwriter fees, charges for execution, transportation and safekeeping of the Bonds and related documents, and other costs, charges and fees in connection with the foregoing.

“Loan” means the Loan made pursuant to Section 3.1 of this Agreement.

“Loan Repayments” means all amounts required to be paid by the Borrower to the Issuer (and the Trustee as the assignee of the Issuer) pursuant to the Promissory Note and Section 3.2 of this Agreement.

“Project” means the refinancing of existing debt for Parkway Christian School in the Town of Davie, Florida, located at 1200 South Flamingo Road.

“Promissory Note” means the promissory note given by the Borrower pursuant to this Agreement, in the form of attached Exhibit A, as the same may be amended, modified or supplemented in accordance with the terms hereof.

“Reimbursement Agreement” means with respect to the Letter of Credit, the agreement pursuant to which such Letter of Credit is issued, including all amendments thereof and supplements thereto, and initially shall mean the Reimbursement and Pledge Agreement, dated as of November 1, 2007, among the Bank, the Borrower and Board of Church Extension Disciples of Christ, Inc., as the same may be amended or supplemented from time to time.

“Requisition Certificate” means a certificate in the form of attached Exhibit B delivered pursuant to Section 5.1 hereof.

“Tax Compliance Certificate” means the Arbitrage and Tax Certificate of the Company dated as of the Issue Date executed by the Borrower in connection with the issuance of the Bonds.

“Unassigned Rights” means the right of the Issuer to make all determinations and approvals and receive all notices accorded to it under the Loan Agreement and to enforce in its name and for its own benefit the provisions of Sections 3.5, 8.6 and 10.4 of the Loan Agreement with respect to Issuer fees and expenses, and indemnity payments as the interests of the Issuer and related persons shall appear.

ARTICLE II REPRESENTATIONS

SECTION 2.1. Representations by the Borrower.

As an inducement to the Issuer to issue the Bonds and to make the Loan to the Borrower, the Borrower makes the following representations, warranties and covenants:

(a) The Borrower consists of an Florida not-for-profit corporation, organized as a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended (the “Code”), and as such is exempt from federal income tax, and is operating as a church organized under Florida law that is existing and in good standing under the laws of the State and is authorized to conduct business in the State and every other state in which the nature of its business requires such authorization.

(b) There are no actions, suits, proceedings, inquiries or investigations pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal which, if determined adversely to the Borrower, would materially and adversely affect the transactions contemplated by this Agreement, the Promissory Note, the Reimbursement

Agreement, the Bond Purchase Agreement, the Remarketing Agreement or the Indenture or which, in any way, would adversely affect the enforceability or validity of the Bonds, the Indenture, the Reimbursement Agreement, the Promissory Note, the Bond Purchase Agreement, the Remarketing Agreement or this Agreement or the ability of the Borrower to perform its obligations under this Agreement.

(d) The execution, delivery and performance of this Agreement, the Promissory Note, the Bond Purchase Agreement, the Remarketing Agreement and the Reimbursement Agreement and the compliance by the Borrower with all of the provisions hereof and thereof are within its powers, have been duly authorized, and are not in contravention of law or of the terms of the Borrower's Trust Agreement, or any unwaived provision of any mortgage, deed, instrument or undertaking to which the Borrower is a party or by which it or its property is bound.

(e) This Agreement, the Promissory Note, the Bond Purchase Agreement, the Remarketing Agreement and the Reimbursement Agreement are valid, binding and enforceable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity.

(f) The Borrower is not in default in any material respect under any order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease or instrument. The Borrower is not in default under any law, rule or regulation wherein such default could materially adversely affect the Borrower or the ability of the Borrower to perform its obligations under this Loan Agreement.

(g) The Project conforms in all material respects with all applicable zoning, planning, building, environmental and other regulations of the governmental authorities having jurisdiction of the Project and all licenses and approvals the Borrower requires to operate its facilities have been obtained by appropriate state and federal agencies and departments or, if not obtained on the date of this Loan Agreement, are expected to be obtained in the normal course of business at or prior to the time such authorizations, consents or approvals are required to be obtained.

(h) The Borrower intends to cause the Project to operate at all times during the term of this Agreement so as to qualify as an educational facility.

(i) To the best of the knowledge of the Borrower, no authorizations, consents or approvals of governmental bodies or agencies are required in connection with the execution and delivery by the Borrower of this Agreement, the Bond Purchase Agreement, the Remarketing Agreement or the Reimbursement Agreement or in connection with the carrying out by the Borrower of its obligations under this Agreement, the Bond Purchase Agreement, the Remarketing Agreement or the Reimbursement Agreement which have not been obtained or, if not obtained on the date of this Loan Agreement, are expected to be obtained in the normal course of business at or prior to the time such authorizations, consents or approvals are required to be obtained.

(j) The Borrower will comply with the provisions of Section 148 of the Code. The Borrower covenants, for the benefit of itself, the Issuer and the owners from time to time of the Bonds, that it will not cause or permit any proceeds of the Bonds to be invested in a manner contrary to the provisions of Section 148 of the Code and that it will assume compliance with such provisions on behalf of the Issuer (including, without limitation, performing required calculations, the keeping of proper records and the timely payment to the Department of the Treasury of the United States, in the name of the Issuer, all of amounts required to be so paid by Section 148 of the Code.

(k) No event has occurred and no condition exists with respect to the Borrower that would constitute an “Event of Default” under this Agreement or that, with the lapse of time or the giving of notice or both, would become an “Event of Default” under this Agreement.

(l) In connection with any lease or grant by the Borrower of the use of the Project, the Borrower shall require that any such lessee or user of any portion of the Project not use that portion of the Project in any manner which would violate the covenants set forth in the Tax Compliance Certificate.

SECTION 2.2. Representations of the Issuer.

The Issuer makes the following representations and warranties:

(a) The Issuer is a municipal corporation and political subdivision in the State and under the laws of the State, and is authorized by the Act and the Ordinance authorizing the issuance of the Bonds to enter into the transactions contemplated by the Loan Agreement and to carry out its obligations hereunder, and by proper action of its governing body has been duly authorized to execute and deliver the Loan Agreement, the Indenture, the Bond Purchase Agreement and the Bonds.

(b) All of the proceedings approving this Agreement, the Ordinance and the Indenture were conducted by the Issuer at meetings which fully complied with the Act.

(c) The Bonds are to be issued under and secured by the Indenture, pursuant to which certain of the Issuer’s interests in the Loan Agreement, and the revenues and receipts to be derived by the Issuer pursuant to the Loan Agreement, will be pledged and assigned to the Trustee as security for payment of the principal or purchase price of, premium, if any, and interest on the Bonds. The Issuer covenants that it has not and will not pledge or assign its interest in the Loan Agreement, or the revenues and receipts derived pursuant to the Loan Agreement, excepting Unassigned Rights, other than to the Trustee under the Indenture to secure the Bonds.

(d) Neither the execution and delivery of the Loan Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of the Loan Agreement conflicts with or results

in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

(e) No officer, employee or member of the Issuer is directly or indirectly a party to or in any manner whatsoever interested in this Loan Agreement, the Bond Purchase Agreement, the Bonds or the proceedings related thereunder.

ARTICLE III LOAN AND REPAYMENT

SECTION 3.1. Amount and Evidence of Loan. Concurrently with the issuance and delivery of the Bonds, the Issuer shall make and the Borrower shall receive the Loan in the principal sum of \$2,500,000, the proceeds of which shall be used to make the required deposit to the Construction Fund for the refinancing of existing debt in accordance with Section 5.1 hereof. The Loan shall be evidenced by the Promissory Note.

SECTION 3.2. Loan Repayments. On or before each date on which a payment of principal, premium, if any, or interest is due on the Bonds, whether by acceleration, mandatory redemption or otherwise, and until the principal of, premium, if any, and interest on the Bonds has been fully paid or provided for as set forth in Article V of the Indenture, the Borrower shall pay, or cause to be paid, to the Trustee, in immediately available funds for deposit in the Bond Fund, the Loan Repayments, including the amounts payable as principal, premium, if any, and interest due on the Bonds on such date, less any Eligible Funds held by the Trustee in the Bond Fund that are required to be applied to the payment of such principal, premium, if any, and interest on such date.

Notwithstanding any provision of this Section 3.2 to the contrary, if the Letter of Credit is outstanding and drawings may be made thereunder (but only if such drawing is permitted by the terms of the Letter of Credit) for the purpose of making payments with respect to the principal, premium, if any, and interest due on the Bonds which are required to be made pursuant to this Section 3.2, such payments shall be made on such dates on behalf of the Borrower by the Trustee with funds drawn by the Trustee under the Letter of Credit pursuant to clause (i) of Section 309(a) of the Indenture, and no additional payments shall be due or paid by the Borrower hereunder with respect to the payment of principal of, premium, if any, or interest on such Bonds to the extent that funds are so drawn on the Letter of Credit and applied by the Trustee for such payment on such dates.

SECTION 3.3. Mandatory and Optional Prepayments of the Promissory Note. The Borrower may prepay the Promissory Note in whole or in part in Authorized Denominations. The Borrower may direct the redemption of the corresponding amount of Bonds then outstanding on such dates and pursuant to the provisions and limitations, and upon payment of any required premium, set forth in Section 217(a) of the Indenture.

The Borrower shall prepay the Promissory Note at such times in order to enable the Trustee to redeem all or a portion of the Bonds as required in Sections 217(b) and (d) of the Indenture.

If the Borrower repays or prepays Loan Repayments and other amounts owing to the Trustee under this Agreement and the Indenture and to the Bank under the Reimbursement Agreement in such a manner so as to permit the Security to be released from the lien of the Indenture in accordance with Article V of the Indenture, then the Loan shall be deemed fully repaid and this Agreement and the Promissory Note shall be canceled on the date on which the Security is so released. To confirm such cancellation, the Borrower may require the Trustee to cancel the Promissory Note and execute any further reasonable evidence of cancellation on the date the Security is so released.

In the event of any optional prepayment of the Promissory Note, on or before the date set for redemption of the Bonds to be redeemed in connection therewith, the Borrower shall cause to be deposited in the Bond Fund from a draw on the Letter of Credit, Eligible Funds which are sufficient to pay the principal of, premium, if any, and interest on the Bonds and to pay all fees, costs, and expenses of the Issuer and the Trustee specified in Sections 3.5, 3.6, 8.6 and 10.4 accruing through the date set for redemption of the Bonds (provided that no moneys derived from a draw on the Letter of Credit shall be used to pay such fees, costs and expenses of the Issuer or the Trustee).

SECTION 3.4. Additional Payment Obligations of the Borrower. The Borrower agrees to pay, or cause to be paid, to the Trustee, for deposit in the Bond Purchase Fund, on or before each purchase date, an amount sufficient, together with any moneys then held by the Trustee in the Bond Purchase Fund and available for such purpose under Section 404 of the Indenture, to enable the Trustee to pay the Purchase Price of all Bonds to be purchased on such date pursuant to Section 205 or Section 206 of the Indenture at the price specified therein.

Notwithstanding any provision of this Section 3.4 to the contrary, if the Letter of Credit is outstanding and drawings may be made thereunder (but only if such drawing is permitted by the terms of the Letter of Credit) for such purpose, payments with respect to the Purchase Price of the Bonds on such date which are required to be made by the Borrower under this Section 3.4 shall be made on behalf of the Borrower by the Trustee with funds drawn by the Trustee under the Letter of Credit pursuant to clause (ii) of Section 309(a) of the Indenture to the extent that remarketing proceeds pursuant to clause (i) of Section 403(b) of the Indenture are not adequate to pay the Purchase Price. No additional payments shall be due or paid by the Borrower hereunder with respect to the Purchase Price of such Bonds to the extent that funds are so drawn under the Letter of Credit and applied by the Trustee to payment of the Purchase Price of Bonds purchased on such date.

SECTION 3.5. Payment of Issuer Fees. The Borrower shall pay, within 10 days of demand therefor, the reasonable fees and expenses of the Issuer related to the Project, or

incurred by the Issuer in performing or enforcing the provisions of this Agreement or the Indenture.

SECTION 3.6. Administrative Expenses. The Borrower shall pay, or cause to be paid, an amount equal to (i) the reasonable fees and charges of the Trustee for services rendered as Trustee under the Indenture and its reasonable expenses incurred as Trustee under the Indenture, as and when the same become due, including the reasonable fees of its Counsel and (ii) the reasonable fees and charges of the Remarketing Agent for acting as Remarketing Agent under the Indenture, as and when the same become due, including the reasonable fees of its Counsel.

SECTION 3.7. Letter of Credit; Alternate Letter of Credit.

(a) The Borrower shall cause the Original Letter of Credit to be delivered to the Trustee on or before the Issue Date. The Original Letter of Credit shall terminate no earlier than the earliest of (i) the payment in full by the Bank of funds authorized to be drawn thereunder, (ii) the surrender of the Letter of Credit by the Trustee to the Bank for cancellation as a result of (A) the payment in full of the Bonds pursuant to the provisions of the Indenture, or (B) the acceptance by the Trustee of an Alternate Letter of Credit, as certified by the Trustee to the Bank, (iii) November 15, 2012, (iv) the Business Day following the Conversion Date, or (v) the fifteenth calendar day following delivery to the Trustee of a direction by the Bank under Section 602 of the Indenture to declare the Bonds due and payable which has not been rescinded.

(b) (i) Subject to Section 805 of the Indenture, the Borrower shall have the right at any time and from time to time (but is not obligated) during the Variable Rate Period to arrange for the renewal, reissuance or extension of any Letter of Credit. Any renewal, reissuance or extension shall be for a period of at least one year. Any extension or renewal of the Letter of Credit during the Variable Rate Period shall not be required to be accompanied by the documentation required for an Alternate Letter of Credit as described in Section 3.7(b)(ii) below.

(ii) At any time during the Variable Rate Period, upon at least 45 days' prior written notice to the Trustee, the Borrower may, at its option, so long as it has not delivered a Conversion Notice pursuant to Section 204(a) of the Indenture, provide for delivery of an Alternate Letter of Credit which shall be effective on the date such Alternate Letter of Credit is accepted by the Trustee in accordance herewith. Any Alternate Letter of Credit shall be issued by a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or a branch or agency of a foreign commercial bank located in the United States that is subject to regulation by state or federal banking regulatory authorities. The Alternate Letter of Credit shall have the same terms as, and shall be in substantially the form of, the Original Letter of Credit, except that the Alternate Letter of Credit shall be for a period of at least one year. On or before the date of delivery of any Alternate Letter of Credit to the Trustee, as a condition of acceptance of any

Alternate Letter of Credit by the Trustee, the Borrower shall furnish to the Trustee: (A) an opinion of Bond Counsel stating to the effect that the delivery of such Alternate Letter of Credit is authorized under and complies with this Section 3.7 and that the delivery of the Alternate Letter of Credit will not in itself result in the loss of the exclusion of the interest on the Bonds from gross income for federal income tax purposes; (B) an opinion of Counsel stating to the effect that (1) the Alternate Letter of Credit is a legal, valid and binding obligation of the issuer thereof enforceable in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and the availability of equitable remedies, including specific performance and injunctive relief), (2) payments thereunder will not constitute a voidable preference under the United States Bankruptcy Code in the event of a filing of a petition in bankruptcy by or against the Borrower or the Issuer, and (3) the issuer thereof is a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or is a branch or agency of a foreign commercial bank located and doing business in the United States and subject to regulation by state or federal banking regulatory authorities; and (C) written evidence from each Rating Agency, if the Bonds are then rated, to the effect that such Rating Agency has reviewed the proposed Alternate Letter of Credit and that the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in withdrawal in its rating of the Bonds or reduction from the rating which then exists as to the Bonds.

(iii) Upon receipt of such documentation, the Trustee shall accept such Alternate Letter of Credit, surrender the previous Letter of Credit, and shall give notice thereof, all as set forth in Section 309 of the Indenture.

(c) (i) On the Business Day immediately preceding the Conversion Date, the Borrower shall cause to be delivered to the Trustee: (A) an amendment to the Letter of Credit or an Alternate Letter of Credit, which Letter of Credit as amended or Alternate Letter of Credit, as the case may be, (i) shall have the same terms as, and shall be in substantially the form of, the Original Letter of Credit, except that it shall provide for the payment of the outstanding principal, any redemption premium and up to 210 days' interest (based on a 360 day year) payable with respect to the Bonds after the Conversion Date and except that it need not have any provisions relating to a Liquidity Drawing, (ii) shall be effective on the Conversion Date, (iii) shall be for a period of at least five years after the Conversion Date or the remaining term of the Bonds, whichever is less, and (iv) shall expire on a November 15; (B) an opinion of Bond Counsel stating to the effect that the delivery of the amendment to the Letter of Credit then in effect or Alternate Letter of Credit, as the case may be, is authorized under and complies with this Section 3.7(c) and that the delivery of the amendment to the Letter of Credit or Alternate Letter of Credit will not result in the loss of the exclusion of the interest on the Bonds from gross income for federal income tax purposes; (C) an opinion of Counsel stating to the effect that (1) the Letter of Credit as amended or the Alternate Letter of Credit,

as the case may be, is a legal, valid and binding obligation of the issuer thereof enforceable in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and the availability of equitable remedies, including specific performance and injunctive relief), (2) payments thereunder will not constitute a voidable preference under the United States Bankruptcy Code in the event of a filing of a petition in bankruptcy by or against the Borrower or the Issuer, and (3) the issuer thereof is a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or is a branch or agency of a foreign commercial bank located and doing business in the United States and subject to regulation by state or federal banking regulatory authorities; and (D) written evidence from each Rating Agency, if the Bonds are then rated, to the effect that such Rating Agency has reviewed the proposed amendment to the Letter of Credit then in effect or the Alternate Letter of Credit and that the amendment to the Letter of Credit then in effect or the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in withdrawal in its rating of the Bonds or reduction from the rating which then exists as to the Bonds.

(ii) Subject to Section 805 of the Indenture, the Borrower shall have the right (but is not obligated) after the Conversion Date to arrange for the renewal, reissuance or extension of the Letter of Credit then in effect. Any renewal, reissuance or extension shall be for a period of at least five years or the remaining term of the Bonds, whichever is less, and shall expire on a November 15. Any extension or renewal of the Letter of Credit during the Fixed Rate Period shall not be required to be accompanied by the documentation required for an Alternate Letter of Credit as described in Section 3.7(c)(iii).

(iii) At any time after the Conversion Date upon at least 45 days' prior written notice to the Trustee, the Borrower may, at its option, provide for delivery of an Alternate Letter of Credit which shall be effective on the date such Alternate Letter of Credit is accepted by the Trustee in accordance herewith. Any Alternate Letter of Credit shall be issued by a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or a branch or agency of a foreign commercial bank located and doing business in the United States that is subject to regulation by state or federal banking regulatory authorities. The Alternate Letter of Credit shall have the same terms as and shall be in substantially the form of, the amended Letter of Credit or Alternate Letter of Credit, as the case may be, delivered pursuant to Section 3.7(c)(i) except that such Alternate Letter of Credit shall be for a period of at least five years or the remaining term of the Bonds, whichever is less, and shall expire on a November 15. On or before the date of delivery of any Alternate Letter of Credit to the Trustee, as a condition of acceptance of any Alternate Letter of Credit by the Trustee, the Borrower shall furnish to the Trustee: (A) an opinion of Bond Counsel stating to the effect that the delivery of the Alternate Letter of Credit is authorized under and complies with this

Section 3.7(c) and that the delivery of the Alternate Letter of Credit will not result in the loss of the exclusion of the interest on the Bonds from gross income for federal income tax purposes; (B) an opinion of Counsel stating to the effect that (1) the Alternate Letter of Credit is a legal, valid and binding obligation of the issuer thereof enforceable in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and the availability of equitable remedies, including specific performance and injunctive relief), (2) payments thereunder will not constitute a voidable preference under the United States Bankruptcy Code in the event of a filing of a petition in bankruptcy by or against the Borrower or the Issuer, and (3) the issuer thereof is a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or is a branch or agency of a foreign commercial bank located and doing business in the United States that is subject to regulation by state or federal banking regulatory authorities; and (C) written evidence from each Rating Agency, if the Bonds are then rated, to the effect that such Rating Agency has reviewed the proposed Alternate Letter of Credit and that the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in withdrawal in its rating of the Bonds or reduction from the rating which then exists as to the Bonds.

SECTION 3.8. Credit for Bonds Surrendered. The Borrower shall have the right to surrender Bonds, other than Bonds pledged to the Bank pursuant to the Reimbursement Agreement, acquired by it to the Trustee. Bonds so surrendered shall be forthwith canceled and the principal amount thereof shall be applied as credits with respect to the Loan Repayments due and payable on the respective maturity dates on such Bonds. The Trustee shall provide the Bank with a certificate for the reduction of the amounts available to be drawn under the Letter of Credit as a result of such payments in accordance with the terms of the Letter of Credit.

ARTICLE IV NO SECURITY INTEREST IN PROJECT

The Issuer shall have no rights to or any interest in the Project, which shall be the sole and exclusive property of the Borrower. However, the Borrower agrees that, subject to reasonable security and safety regulations, the Issuer and the Trustee shall have the right at all reasonable times to enter upon the site of the Project in order to determine that it conforms with the requirements of this Agreement.

ARTICLE V ACQUISITION OF THE PROJECT

SECTION 5.1. Disbursements from the Construction Fund. Disbursements of moneys in the Construction Fund shall be made for the purpose of refinancing the Project. Disbursements shall be made by the Trustee to the party or parties designated in each Requisition Certificate. Each of the payments to be made for the refinancing of the

Project shall be made only upon delivery to the Trustee of a Requisition Certificate signed by an Authorized Borrower Representative and approved in writing by the Bank. The Trustee shall rely fully on any such Requisition Certificate delivered pursuant to this Section and shall not be required to make any investigation in connection therewith.

SECTION 5.2. Investment of Construction Fund, Bond Fund, Bond Purchase Fund and Rebate Fund Moneys. Any moneys held in the Construction Fund, Bond Fund, Bond Purchase Fund (excluding proceeds of a draw on the Letter of Credit, which shall remain uninvested) or the Rebate Fund shall, pending disbursement and upon written request of the Borrower or facsimile request of the Borrower later confirmed in writing, be invested only in Permitted Investments in accordance with the provisions of Section 407 of the Indenture, all at such maturities, rates of interest and other specifications as the Borrower may indicate in its request to the Trustee. The investments shall mature not later than the respective dates estimated by the Borrower when the moneys in such Funds shall be needed for the purposes provided in this Agreement and the Indenture, but should the cash balance in a Fund be insufficient for such purpose, the Trustee is authorized to sell the necessary portion of such investments to meet that purpose. Recognizing that such investments shall be made at the written direction of the Borrower, the Issuer agrees to cooperate with the Borrower and the Borrower covenants that it will restrict the use of the proceeds of the Bonds (and any other funds or moneys which may be deemed to be proceeds of the Bonds pursuant to Section 148(a) of the Code), in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bonds are issued, so that the Bonds will not constitute "arbitrage bonds" under Section 148(a) of the Code.

SECTION 5.3. No Warranty by Issuer. The Borrower recognizes that the Issuer has not made an inspection of the Project or of any fixture or other item constituting a portion thereof, and the Issuer makes no warranty or representation, express or implied or otherwise, with respect to the same or the location, use, description, design, merchantability, fitness for use for any particular purpose, condition or durability thereof, or as to the Issuer's or the Borrower's title thereto or ownership thereof or otherwise, it being agreed that all risks incident thereto are to be borne by the Borrower. In the event of any defect or deficiency of any nature in the Project or any fixture or other item constituting a portion thereof, whether patent or latent, the Issuer shall have no responsibility or liability with respect thereto. The provisions of this Section 5.3 have been negotiated and are intended to be a complete exclusion and negation of any warranties or representations by the Issuer, express or implied, with respect to the Project or any fixture or other item constituting a portion thereof, whether arising pursuant to the Uniform Commercial Code of the State or another law now or hereafter in effect or otherwise.

ARTICLE VI USE OF PROJECT, MAINTENANCE, TAXES AND INSURANCE

SECTION 6.1. Use, Maintenance and Modifications of Project by Borrower. The Borrower shall use, lease for use, or occupy the Project during the term of this Agreement

as an educational facility. The Borrower does not know of any reason why the Project will not be so used and occupied by it in the absence of supervening circumstances not now anticipated by it or beyond its control. Notwithstanding the foregoing, the Borrower shall have the right to use the Project during the term of this Agreement for any lawful purpose under the Act that will not affect the validity of the Bonds or impair the exclusion of interest on the Bonds from gross income for federal income tax purposes. The failure of the Borrower to use, lease for use, or occupy the Project for its intended purposes shall not in any way abate or reduce the obligation of the Borrower to repay the Loan under the provisions of this Agreement, and shall not be deemed a default under this Agreement in any respect as long as such alternative use is caused by supervening circumstances not now anticipated and does not impair the exclusion of interest on the Bonds from gross income for federal income tax purposes or contravene the Act.

The Borrower agrees that it will keep the Project in good repair and good operating condition, ordinary wear and tear excepted, at its own cost.

The Borrower may remodel the Project or make additions, modifications and improvements to the Project from time to time as the Borrower, in its discretion, may deem to be desirable, the cost of which shall be paid by the Borrower, provided, however, that such additions, modifications and improvements do not materially and adversely alter the scope, character, value or operation of the Project without the prior written consent of the Bank, do not impair the exclusion of interest on the Bonds from gross income for federal income tax purposes and do not contravene the provisions of the Act. The Trustee, the Issuer or the Bank may request opinions of professional engineers, architects and Counsel, satisfactory to the Issuer, the Trustee and the Bank, as to the satisfaction of the requirements set forth in this paragraph.

SECTION 6.2. Taxes, Other Governmental Charges and Utility Charges. The Borrower shall pay before any interest, collection fees or penalties shall accrue, every lawful cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which the Borrower is or shall become liable by reason of its estate or interest in the Project or any portion thereof, by reason of any right or interest of the Borrower in or under this Agreement, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, including, without limitation, all taxes, assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Borrower therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the receipts, income or profits of the Issuer from the Project and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project); provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as they become due.

The Borrower may, at its expense and in its own name, in good faith contest any such taxes, assessments and other charges as provided in the Reimbursement Agreement.

The Borrower shall furnish to the Issuer promptly, upon request, proof of the payment of any such tax, assessment or other governmental or similar charge, or any other charge which is payable by the Borrower as set forth above.

SECTION 6.3. Insurance. The Borrower shall from the date hereof continuously insure the Project or cause the Project to be insured against such risks as are customarily insured against by businesses of like size and character. In addition to the foregoing, the Borrower shall maintain insurance policies as required by the Bank pursuant to the Reimbursement Agreement or any mortgage or security agreement securing the obligations of the Borrower under the Reimbursement Agreement.

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION

In the event (i) the Project is destroyed or sustains damage or (ii) title to or temporary use of all or substantially all of the Project is taken in condemnation or by the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, the Borrower shall promptly give written notice thereof to the Issuer, the Bank and the Trustee. The net proceeds of the title insurance and casualty and property insurance carried with respect to the Project or the net proceeds resulting from condemnation or eminent domain proceedings shall be paid to the Bank, subject to the provisions of the Reimbursement Agreement. As soon as practicable, the Bank shall notify the Trustee whether such insurance or condemnation proceeds will be permitted to be used to restore the Project as hereinafter provided or used to prepay the Loan and cause the Bonds to be paid or redeemed to the extent of the available insurance or condemnation proceeds. If the Bank allows such proceeds, or any part thereof, to be used to restore the Project, the Trustee shall deposit the net insurance or condemnation proceeds it receives from the Bank in the Construction Fund, which shall be reactivated, or if the Bank elects to cause the Loan to be prepaid to the extent of such net proceeds, such insurance or condemnation proceeds shall be deposited in the Bond Fund and be used to reimburse the Bank for a draw under the Letter of Credit in connection with the redemption of Bonds as provided in Section 217(b) of the Indenture. Prior to their expenditure, such insurance or condemnation proceeds shall be invested so as not to have an adverse effect on the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

If the Project is to be restored, the Borrower shall diligently proceed to do so with reasonable dispatch. The Trustee will, upon delivery to the Trustee and the Bank of a certificate or certificates which set forth the Borrower's estimate of the cost of total restoration and which are satisfactory to the Bank, signed by an authorized officer of the Borrower and approved in writing by the Bank, in the same form as required by Section 5.1 hereof, and provided no Event of Default specified in Section 10.1 hereof has occurred and is continuing, apply so much as may be necessary of the moneys in the

Construction Fund to the payment or reimbursement of the costs of such repair, rebuilding or restoration. The Borrower agrees to complete the work thereof and pay the cost thereof in excess of the amount of moneys in the Construction Fund if necessary. The Borrower shall not, by reason of the payment of any such excess costs, be entitled to any reimbursement from the Issuer or the Trustee or any diminution in or postponement of any obligation hereunder. Any balance of such moneys remaining in the Construction Fund after providing for or making payment of all costs of such repair, rebuilding or restoration, or which have not been so used within a reasonable period of time under the circumstances, as determined by the Bank, shall be treated as Surplus Bond Proceeds and applied pursuant to Section 11.1 hereof.

ARTICLE VIII SPECIAL COVENANTS

SECTION 8.1. Assignment and Pledge of Issuer's Rights; Obligations of Borrower Unconditional. As security for the payment of the Bonds, the Issuer will assign and pledge to the Trustee all right, title and interest of the Issuer in and to this Agreement and the Promissory Note, including the right to receive payments hereunder and thereunder (except the Unassigned Rights), and hereby directs the Borrower to make such payments directly to the Trustee. The Borrower consents to such assignment and pledge and agrees that it will make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the Issuer or the Trustee, and hereby further agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment of the Bonds made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any Loan Repayments, (b) will perform all its other agreements in this Loan Agreement and (c) will not terminate this Loan Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the Issuer to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Loan Agreement.

If the Borrower fails to make or cause to be made any of the payments required to be made under this Agreement, the unpaid amount shall continue to be an obligation of the Borrower until such amount is fully paid. The Borrower agrees to pay the same with interest thereon from the date when due until paid at the greater of the rate borne by the Bonds or the per annum rate of interest equal to the rate of interest announced from time to time by the bank serving as Trustee as its "prime rate" plus 3.0%.

SECTION 8.2. Right of Access to the Project. Subject to the reasonable security and safety requirements of the Borrower, the Borrower agrees that the Issuer, the Bank and the Trustee, and their respective duly authorized agents, shall have the right at all reasonable times upon reasonable notice to enter upon the Project to examine and inspect the same, and shall have the right at all reasonable times to inspect all books and records of the Borrower relating to the Project and make copies thereof.

SECTION 8.3. Maintenance of Existence. The Borrower agrees that throughout the term of this Agreement it shall maintain its existence and shall not dispose of all or substantially all of its assets. In the event the Borrower shall consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it, any surviving, resulting or transferee entity shall be qualified to do business in the State and shall assume in writing or by operation of law all of the obligations of the Borrower under this Loan Agreement, the Reimbursement Agreement and the Remarketing Agreement.

SECTION 8.4. Qualification in State. Subject to the provisions of Section 8.3 hereof, the Borrower agrees that throughout the term of this Loan Agreement, it will be qualified to do business in the State.

SECTION 8.5. Covenant as to Non-Impairment of Tax-Exempt Status. The Borrower covenants that, notwithstanding any provision of this Agreement or the rights of the Borrower hereunder, it will not take, or permit to be taken on its behalf, any action that would impair the exclusion of interest on the Bonds from gross income for federal income tax purposes and that it will take such reasonable action for itself and on behalf of the Issuer as may be necessary to continue such exclusion, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exclusion.

The Borrower will not cause or permit any proceeds of the Bonds to be invested in a manner contrary to the provisions of Section 148 of the Code and will assure compliance with such requirements on behalf of the Issuer. The Borrower shall calculate and timely pay to the United States of America, for the account of the Issuer, all amounts required to be so paid in accordance with Section 148 of the Code and shall maintain, on behalf of the Issuer, all records required to be maintained pursuant to Section 148(f) of the Code.

The Borrower acknowledges that a failure to abide by the foregoing covenants and the covenants contained in Section 2.1 hereof and in the Tax Compliance Certificate may result in a Determination of Taxability. In the event of a Determination of Taxability for any reason, the sole and exclusive remedy of the holders of the Bonds and the Trustee on their behalf shall be the early redemption of the Bonds as provided therein under the caption "Mandatory Redemption."

SECTION 8.6. Indemnity, Expenses.

(a) The Borrower releases the Issuer from, agrees that the Issuer (including, but not limited to, officers and employees of the Town of Davie, the Town of Davie Town Council, and their attorneys, agents and employees) shall not be liable for, and indemnifies the Issuer and such persons against, all liabilities, claims, costs and expenses, imposed upon, incurred or asserted against the Issuer on account of: (i) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the maintenance, operation and use of the Project; (ii) any breach or default on the part of the Borrower in the performance of any covenant or agreement of the Borrower under this Loan Agreement or the Promissory Note or any related document, or arising from any act or failure to act by the Borrower, or any of the Borrower's agents, contractors, servants, employees or licensees; (iii) the authorization, issuance, sale, trading, redemption or servicing of the Bonds, and the provision of any information or certification furnished in connection therewith concerning the Bonds, the Project or the Borrower including, without limitation, any information furnished by the Borrower for, and included in, or used as a basis for preparation of, any certifications, information, statements or reports furnished by the Issuer, and any other information or certification obtained from the Borrower to assure the exclusion of the interest on the Bonds from gross income of the Holders thereof for federal income tax purposes; (iv) the Borrower's failure to comply with any requirement of this Loan Agreement or the Code pertaining to such exclusion of that interest, including the covenants in Section 8.5 hereof; and (v) any claim, action or proceeding brought with respect to the matters set forth in (i), (ii), (iii), and (iv) above, including, without limiting the foregoing, any action challenging the validity of the Bonds on the basis of a violation of the First Amendment to the Constitution of the United States, or Article I, Section 3 of the Constitution of the State of Florida, or the tax-exempt status of the Bonds as a result thereof.

(b) The Borrower agrees to indemnify the Trustee for, and to hold it harmless against, all liabilities, claims, costs and expenses incurred without gross negligence or bad faith on the part of the Trustee on account of all costs, claims, liabilities, losses or damages whatsoever (including reasonable costs and fees of counsel, auditors or other experts), asserted or arising out of or in connection with the acceptance or administration of the trusts established pursuant to the Indenture, and any action taken or omitted to be taken by the Trustee in accordance with the terms of this Loan Agreement, the Promissory Note, the Indenture, the Bonds or the Tax Compliance Certificate, or any action taken at the request of or with the consent of the Borrower, including the costs and expenses of the Trustee in defending itself against any such claim, action or proceeding brought in connection with the exercise or performance of any of its powers or duties under this Loan Agreement, the Promissory Note, the Indenture, the Bonds, the Tax Compliance Certificate or any related document or instrument.

(c) In case any action or proceeding is brought against the Issuer or the Trustee in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the Borrower, and the Borrower upon receipt of that notice shall have the obligation and the right to assume the defense and the costs of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Borrower from any of the Borrower's obligations under this

Section unless that failure prejudices the defense of the action or proceeding by the Borrower. If the Issuer, in its sole discretion, desires to employ separate counsel of its own choosing in its defense, the Borrower agrees to pay any and all reasonable costs and expenses in connection therewith. At its own expense, the Trustee may employ separate counsel and participate in the defense. The Borrower shall not be liable for any settlement made without the Borrower's consent.

(d) The indemnification set forth above and pursuant to the Indenture is intended to and shall include the indemnification of all affected officials, directors, officers and employees of the Issuer and the Trustee, respectively. That indemnification is intended to and shall be enforceable by the Issuer and the Trustee, respectively, to the full extent permitted by law. The indemnification of the Issuer set forth in this Section 8.6 shall be in addition to any indemnification in the provisions set forth in the Bond Purchase Agreement relating to the Bonds, and the Issuer shall be entitled to assert its rights hereunder in lieu of any such rights set forth in the Bond Purchase Agreement.

(e) The obligations of the Borrower under this Section 8.6 shall survive any assignment or termination of this Agreement, and the resignation or removal of the Trustee.

SECTION 8.7. Compliance with Laws. The Borrower shall, throughout the term of this Agreement and at no expense to the Issuer, promptly comply or cause compliance, in all material respects, with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project.

SECTION 8.8. No Recourse. The obligations of the Issuer under this Agreement are special, limited obligations of the Issuer, payable solely out of the Security and as otherwise provided under this Agreement and the Indenture. The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State, or any political subdivision thereof within the purview of any constitutional limitation or provision, or a charge against the credit or general taxing powers, if any, of any of them. Neither the Issuer nor any member, director, officer, employee or agent of the Issuer nor any person executing the Bonds shall be liable personally for the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds. No recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bonds, the Indenture, this Agreement or the Bond Purchase Agreement (or any other agreement entered into by the Issuer with respect thereto) against any past, present or future member, officer, agent or employee of the Issuer, or any incorporator, member, officer, employee, director or trustee or any successor thereof, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture, the Bond Purchase Agreement

and this Agreement (and any other agreement entered into by the Issuer with respect thereto) and the issuance of the Bonds. IN PARTICULAR, PURSUANT TO CHAPTER 159, FLORIDA STATUTES, THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE TOWN OF DAVIE OR THE STATE, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES PROVIDED THEREFOR. THE TOWN OF DAVIE, FLORIDA, SHALL NOT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL, PREMIUM, OR INTEREST ON THE BONDS.

SECTION 8.9. Indenture Provisions. The Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the loan made by the Issuer to the Borrower pursuant to this Agreement and the execution of this Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

SECTION 8.10. Recording and Maintenance of Liens.

(a) The Borrower will, at its own expense, take all necessary action to maintain and preserve any liens and security interest of the Loan Agreement or the Indenture so long as any principal of, premium, if any, or interest on the Bonds remains unpaid.

(b) The Borrower will promptly, but not later than six months prior to the date any financing statement or continuation statements must be filed to perfect or maintain the security interest granted to the Trustee pursuant to the Indenture, prepare the required financing or continuation statements and forward completed originals to the Trustee accompanied by the name and address of the appropriate state and county offices where such financing statements or continuation statements are to be duly filed and recorded as required by the provisions of the Uniform Commercial Code or other similar law as enacted by the State.

(c) The Issuer shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected hereby. The Issuer will execute such instruments as may be necessary in connection with such filing or recording.

ARTICLE IX
ASSIGNMENT, LEASING, EQUIPMENT

SECTION 9.1. Transfer, Assignment and Leasing. The Borrower may lease any portion of the Project, with the consent of the Bank and the Issuer, provided that the

Borrower delivers to the Bank, the Issuer and the Trustee in connection with any such subsequent leasing an opinion of Bond Counsel that after the execution of the lease, interest on the Bonds will remain wholly excludable from gross income of the Bondholders for federal income tax purposes. No leasing shall relieve the Borrower from primary liability for any of its obligations hereunder, and in the event of any such leasing the Borrower shall continue to remain primarily liable for the payment of Loan Repayments and for performance and observance of the other agreements herein on its part to be performed and observed.

Subject to the prior written consent of the Bank and the Issuer, which written consent shall not be unreasonably withheld or delayed, this Agreement may be assigned, in whole or in part, and the Project may be sold, transferred or conveyed as a whole or in part, by the Borrower without the necessity of obtaining the consent of the Trustee, subject, however, to the following conditions:

(a) No assignment, sale, transfer or conveyance shall relieve the Borrower from primary liability for any of its obligations hereunder, and if any such assignment occurs, the Borrower shall continue to remain primarily liable to make the payments required to be made by the Borrower hereunder and for performance and observance of the other agreements on its part herein provided to be performed and observed by it;

(b) The assignee or purchaser shall assume the obligations of the Borrower hereunder to the extent of the interest assigned, sold, transferred or conveyed;

(c) The Borrower shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each such assignment or sale agreement, as the case may be, together with (A) any instrument of assumption, and (B) an opinion of Bond Counsel that such assignment or sale agreement will not adversely affect the exclusion of interest on the Bonds from gross income of the Bondholders for federal income tax purposes; and

(d) The assignee, transferee or purchaser shall continue to use the Project for purposes permitted under the Act for the term of this Agreement.

SECTION 9.2. Substitution and Removal of Machinery and Equipment. The Borrower may remove any machinery or equipment comprising a part of the Project, if any, with the consent of the Bank and Issuer, upon substituting therefor property of like nature having a fair market value of not less than the removed property. Any such substituted machinery and equipment shall be identified in writing by the Borrower to the Bank and Issuer and shall become a part of the Project and be included under the terms of this Agreement. The Borrower may, with the consent of the Bank and Issuer, which consent shall not be unreasonably withheld or delayed, or as otherwise provided in the Reimbursement Agreement, sell any machinery and equipment comprising a portion of the Project without substitution therefor so long as, in the opinion of Bond Counsel, such removal will not impair the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Borrower shall pay into the Bond Fund the proceeds

from such sales without substitution, and such proceeds shall be treated as Surplus Bond Proceeds and applied as provided in Section 11.1 hereof. With respect to machinery or equipment comprising a part of the Project which shall have become obsolete, there shall be no requirement to repair or replace such equipment or to pay any amount into the Bond Fund as a result of the machinery or equipment no longer being in service.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1. Events of Default. The following shall be events of default under this Agreement and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay the Loan Repayments in the amounts and at the times provided in this Agreement or the Promissory Note; provided, however, that no Event of Default described in this subparagraph (a) shall be deemed to have occurred solely by reason of such failure to make such payments if and to the extent that payments have nonetheless been made by the Bank to the Trustee pursuant to the Letter of Credit for deposit in the Bond Fund at such times and in such manner so as to prevent an event of default described under Section 601(a) or (b) of the Indenture;

(b) Failure by the Borrower to make payments in the amounts and at the times provided in Section 3.4 of this Agreement; provided, however that no Event of Default described in this paragraph (b) shall be deemed to have occurred solely by reason of such failure to make such payments if and to the extent that payments have nonetheless been made by the Bank to the Trustee pursuant to the Letter of Credit for deposit in the Bond Purchase Fund at such times and in such manner so as to prevent an event of default described under Section 601(c) of the Indenture;

(c) Failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed herein or in the Promissory Note for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Issuer, the Bank or the Trustee; provided, however, that if the failure is such that it can be corrected but not within such 30-day period, and corrective action is instituted by the Borrower within such period and diligently pursued until such failure is corrected, then such period shall be increased to such extent as shall be determined by the Trustee with the consent of the Bank to be necessary to enable the Borrower to observe or perform such covenant, condition, undertaking or agreement through the exercise of due diligence;

(d) Any representation or warranty made by the Borrower in any document delivered by the Borrower to the Trustee or the Bank or the Issuer in connection with the sale and delivery of the Bonds proves to be untrue when made in any material respect;

(e) Occurrence of an Event of Default under the Indenture; or

(f) The Borrower (i) shall generally not pay its debts as they become due, (ii) shall admit in writing its inability to pay its debts generally, (iii) shall make a general assignment for the benefit of creditors, (iv) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (v) shall take any action to authorize any of the actions described above in this subsection (f), or (vi) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Borrower in good faith, such proceeding shall remain undismissed or unstayed for a period of 60 days.

SECTION 10.2. Remedies on Default. Whenever an Event of Default referred to in Section 10.1 hereof shall have occurred and be continuing, and if acceleration of the principal amount of the Bonds has been declared pursuant to Section 602 of the Indenture:

(a) The Trustee shall declare all Loan Repayments to be immediately due and payable, whereupon the same shall become immediately due and payable and the Trustee shall thereupon draw upon the Letter of Credit in accordance with its terms and the terms of the Indenture;

(b) The Issuer or the Trustee may have access to and inspect, examine, and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower, only insofar as they relate to the Project or the Event of Default and the remedying thereof; and

(c) To the extent of any insufficiency after drawing under the Letter of Credit, the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement or the Promissory Note or to enforce the performance of any other obligation or agreement of the Borrower under such documents.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with Section 607 of the Indenture.

Notwithstanding any other provision of this Agreement or the Indenture, the Issuer shall be entitled to cause the Borrower to perform the Borrower's obligations under Sections 3.5, 8.6 and 10.4 hereof for the benefit of the Issuer.

SECTION 10.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or the Indenture, or now or hereafter existing at law or in equity. 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 and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Notwithstanding any other provision of this Agreement (except Section 13.2 hereof) or the Indenture, the Issuer or the Trustee shall not be entitled to exercise any remedy reserved to it in this Article X without the prior written consent of the Bank; however, the Issuer may, after notice to but without the prior written consent of the Bank, institute an action against the Borrower to recover any fees or expenses to which the Issuer is entitled under this Agreement.

SECTION 10.4. Agreement to Pay Attorneys' Fees and Expenses. In the event that the Issuer, the Bank or the Trustee employs attorneys or incurs other expenses for the enforcement or performance or observance of any obligation or agreement on the part of the Borrower contained in the Promissory Note, the Bond Purchase Agreement or in this Agreement, the Borrower agrees that it will on demand therefor promptly reimburse the reasonable fees of such attorneys and such other expenses so incurred.

SECTION 10.5. No Additional Waiver Implied by One Waiver. In the event any term, condition or covenant contained in this Agreement is 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. Because of the assignment of the Issuer's rights and interest in this Agreement to the Trustee under the Indenture, the Issuer shall have no power to waive or release the Borrower from any Event of Default or the performance or observance of any obligation or condition of the Borrower under this Agreement without the prior written consent of the Trustee and the Bank, but the Issuer shall so waive or release the Borrower if requested by the Trustee and the Bank, provided the Issuer receives an opinion of its Counsel that such action will not impose any pecuniary obligation or liability or adverse consequence upon the Issuer and the Issuer has been provided such indemnification from the Borrower, the Trustee or the Bank, as the Issuer deems necessary.

SECTION 10.6. Default by Issuer - Limited Liability. Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer, the liability of the Issuer hereunder shall be limited to its interest in this Agreement, the Promissory Note, and all other related documents and collateral and the lien of any judgment shall be restricted

thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

ARTICLE XI PAYMENT OF SURPLUS BOND PROCEEDS FROM THE BOND FUND

SECTION 11.1. Surplus Bond Proceeds. All Surplus Bond Proceeds transferred to the Bond Fund pursuant to the provisions of Section 9.2 hereof shall be applied by the Trustee at the direction of the Borrower after the date on which such moneys first become Eligible Funds in the Bond Fund (i) to the purchase of Bonds on the open market for cancellation, (ii) to the payment of the scheduled principal maturities of the Bonds (but not interest) or (iii) to the redemption of Bonds on the first date on which the Bonds may be called for optional redemption as set forth in Section 217(a) of the Indenture. In addition, at the direction of the Borrower and with the written consent of the Bank, Surplus Bond Proceeds held in the Current Account of the Bond Fund shall be paid by the Trustee to the Bank to the extent of any moneys owing under the Reimbursement Agreement as a result of a drawing on the Letter of Credit to pay principal (but not interest) on the Bonds. To the extent that the amount of Surplus Bond Proceeds exceeds 5% of the original aggregate principal amount of the Bonds, such excess shall be invested at a yield which will not exceed the yield on the Bonds or, in the opinion of Bond Counsel, will not impair the exclusion of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE XII THE BONDS

SECTION 12.1. Issuance of the Bonds. The obligations of the Issuer and the Borrower hereunder are expressly conditioned upon the execution of the Bond Purchase Agreement, satisfaction or waiver of its terms and conditions, and payment for the Bonds pursuant thereto.

SECTION 12.2. Compliance with Indenture. The Issuer agrees to comply with the covenants, requirements and provisions of the Indenture and perform all of its obligations thereunder.

SECTION 12.3. Consent to Issuer's Pledge. The Borrower hereby acknowledges and consents to the assignment and pledge by the Issuer to the Trustee, for the benefit of the Bondholders, and the Bank, of (i) the Promissory Note; (ii) the moneys deposited to the various funds and accounts hereunder and under the Indenture (including investments); and (iii) all of the Issuer's rights and powers under this Agreement,

including the right to receive Loan Repayments (but excluding the Unassigned Rights) and the right and power to enforce, either jointly with the Issuer or separately, the performance of the obligations of the Borrower under this Agreement. The Borrower further acknowledges and consents to the right of the Trustee and the Bank, as the case may be, to enforce all rights of the Issuer and Bondholders assigned under the Indenture.

SECTION 12.4. Rights of Trustee Hereunder. The parties hereto recognize and agree that the terms of this Agreement and the enforcement thereof are essential to the security of the Trustee (for the benefit of the Bondholders) and the Bank and are entered into for the benefit of the Trustee (on behalf of the Bondholders) and the Bank. The Trustee (and any assignee of or subrogee to the Trustee) and the Bank shall accordingly have contractual rights and duties in this Agreement and be entitled to require the enforcement of the terms hereof.

Except for the rights of the Borrower set forth in Section 13.1 hereof, the Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer has any interest in the Bond Fund or the Bond Purchase Fund and any moneys deposited therein and that the Bond Fund and the Bond Purchase Fund and any moneys deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Bondholders and the Bank as provided in the Indenture.

SECTION 12.5. Amendments to Indenture and this Agreement. The Issuer shall not amend nor consent to any amendment to the Indenture or this Agreement except as specified in Article VIII of the Indenture, which Article VIII is incorporated herein by this reference as if it were fully set forth herein. The Borrower hereby agrees to be bound by the provisions of Article VIII of the Indenture.

ARTICLE XIII MISCELLANEOUS

SECTION 13.1. Amounts Remaining in Funds. Any amounts remaining in the Construction Fund or the Bond Fund upon expiration or sooner cancellation or termination of this Agreement, after the Loan and the Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and the fees, charges and expenses of the Trustee and all other amounts required to be paid under the Indenture, the Reimbursement Agreement and this Agreement have been paid, shall be paid to the Borrower as an overpayment of the Loan.

SECTION 13.2. Rights of the Bank. All rights of the Bank under this Agreement to consent to certain extensions, remedies, waivers, actions and amendments hereunder shall cease, terminate and become null and void (i) for so long as the Bank wrongfully dishonors any draft presented in strict conformity with the Letter of Credit and until it has honored a subsequent draft, if any, thereunder or (ii) if the Letter of Credit is no longer in effect and any and all of the Borrower's obligations to the Bank pursuant to the Reimbursement Agreement have been paid.

SECTION 13.3. Notices. Except as otherwise provided herein, it shall be sufficient service or giving of any notice, request, complaint, demand or other paper required by this Agreement to be given to or filed with the Issuer, the Trustee, the Bank, the Remarketing Agent, or the Borrower if the same is duly mailed by first-class mail, postage pre-paid, or sent by telegram, teletype or telex or other similar communication, or when given by telephone, confirmed in writing by first-class mail, postage pre-paid, or sent by telegram, teletype, telex or other similar communication, on the same day addressed as specified in Section 904 of the Indenture.

The Borrower, the Issuer, the Bank, and the Trustee may designate, by notice given hereunder, any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent, but no notice directed to any one such entity shall thereby be required to be sent to more than two addresses.

SECTION 13.4. Bondholders' Action. Whenever any consent, approvals, waivers or other actions are required of the Bondholders hereunder, under the Indenture, the Promissory Note or any other instrument or document delivered with respect to the Bonds, such consent shall only be given in compliance with Section 806 of the Indenture.

SECTION 13.5. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower and their respective successors and assigns, subject to the limitation that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt of the Issuer but shall be payable solely out of the Security, the proceeds of the sale of the Bonds or the net proceeds of any insurance or condemnation awards as provided herein, anything herein contained to the contrary by implication or otherwise notwithstanding.

SECTION 13.6. Severability. If any clause, provision or section of this Agreement be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Borrower, as the case may be, to the full extent permitted by law.

SECTION 13.7. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision or sections of this Agreement.

SECTION 13.8. Interpretation. This Agreement shall be governed by and interpreted in accordance with the laws of the State, without regard to its conflicts of law provisions.

SECTION 13.9. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

SIGNATURE PAGE OF ISSUER
TO
LOAN AGREEMENT

TOWN OF DAVIE, FLORIDA

Mayor

ATTEST:

Town Clerk

SIGNATURE PAGE OF BORROWER
TO
LOAN AGREEMENT

PARKWAY CHRISTIAN CHURCH, INC.

By: _____

By: _____

By: _____

EXHIBIT A

PROMISSORY NOTE

Amount: \$2,500,000

Maturity: November 1, 2027

FOR VALUE RECEIVED, PARKWAY CHRISTIAN CHURCH, INC., an Florida not-for-profit corporation (the "Borrower"), promises to pay to the order of the TOWN OF DAVIE, FLORIDA (the "Issuer"), the principal sum of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) together with (a) interest thereon in an amount sufficient to enable the Issuer to make payment of all interest becoming due and payable on the Issuer's Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project) (the "Bonds") in the principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000), issued pursuant to a Trust Indenture dated as of November 1, 2007 (the "Indenture") between the Issuer and The Bank of New York

Trust Company, N.A., a national banking association, as trustee (the "Trustee"), which Indenture and Bonds are incorporated herein by reference and made a part hereof, and (b) such redemption premiums and other amounts as are required to be paid by the Borrower to the Issuer as Loan Repayments as provided in the Loan Agreement, dated as of November 1, 2007 between the Borrower and the Issuer (the "Loan Agreement"), which is incorporated herein by reference and made a part hereof.

The foregoing amounts shall be paid by means of Loan Repayments which shall be due and payable (less any credits to which the Borrower may be entitled under the Loan Agreement), in immediately available funds, as follows:

1. On or before each date on which a payment of interest is due on the Bonds, the Borrower shall pay interest in an amount equal to the aggregate unpaid interest due or to become due on the Bonds on such payment date, less any Eligible Funds within the meaning of paragraph (b) of that definition as set forth in Article I of the Indenture, then held by the Trustee in the Bond Fund (as defined in the Indenture) which are then being held for application to the payment of interest on the Bonds in accordance with the Indenture;

2. On or before each date on which a payment of principal, Purchase Price (as defined in the Indenture) and premium, if any, is due on the Bonds, whether by maturity, acceleration or otherwise, the Borrower shall pay principal and premium, if any, in an amount equal to principal, Purchase Price and premium, if any, then due or to become due on the Bonds on such payment date, less any Eligible Funds within the meaning of paragraphs (a) and (b) of that definition as set forth in Article I of the Indenture then held by the Trustee in the Bond Fund, other than those Eligible Funds applied to payment of interest on the Bonds as set forth above, which are then being held for the payment of principal and premium, if any, on the Bonds under the Indenture.

The Borrower shall have the option to make advance payments of Loan Repayments, from time to time, which advance payments shall be deposited with the Trustee in the Bond Fund and shall be applied as provided in the Loan Agreement and the Indenture.

All payments shall be made in coin or currency of the United States of America in immediately available funds at the principal office of the Trustee, or at the office of any successor trustee.

If the Borrower fails to pay any installment of principal, premium, if any, and interest when due under this Promissory Note and the Trustee fails to receive sufficient moneys pursuant to one or more draws under the Letter of Credit to pay any such installment, or upon the occurrence of any one or more of the events of default specified in the Loan Agreement, the Trustee then, or at any time thereafter, may under certain conditions specified in Section 602 of the Indenture give notice to the Borrower declaring all unpaid amounts then outstanding hereunder or under the Loan Agreement (including all fees), to be due and payable, and thereupon, without further notice or demand, all such

amounts shall become and be immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any time in the event of any continuing or subsequent default.

All payments hereon shall be applied first to accrued interest, then to premium, if any, and then to principal.

The undersigned waives (except as provided herein) demand, protest, presentment for payment and notice of nonpayment and agrees to pay all costs of collection when incurred, including reasonable attorneys' fees, and to perform and comply with each of the covenants, conditions, provisions and agreements of the undersigned contained in every instrument evidencing or securing the indebtedness evidenced hereby. No extension of the time for the payment of this Promissory Note made by agreement with any person now or hereafter liable for the payment of this Promissory Note shall operate to release, discharge, modify, change or affect the original liability under this Promissory Note, either in whole or in part, of the undersigned if not a party to such agreement.

This Promissory Note is issued under and is subject to the terms and conditions of the Loan Agreement.

This Promissory Note and all instruments securing the same are to be construed according to the laws of the State of Florida.

PARKWAY CHRISTIAN CHURCH, INC.

By: _____

By: _____

By: _____

ENDORSEMENT

PAY TO THE ORDER OF THE BANK OF NEW YORK TRUST COMPANY,
N.A., AS TRUSTEE, WITHOUT WARRANTY OR RECOURSE.

TOWN OF DAVIE, FLORIDA

Mayor

ATTEST:

Town Clerk

EXHIBIT B

REQUISITION CERTIFICATE

TO: The Bank of New York Trust Company, N.A.,
 as Trustee

FROM: Parkway Christian Church, Inc.
 (the "Borrower")

SUBJECT: \$2,500,000 Town of Davie, Florida
 Educational Facilities Revenue Bonds
 Series 2007 (Parkway Christian School
 Project) (the "Bonds")

This represents Requisition Certificate No. ___ in the total amount of \$_____ for payment from the Construction Fund of those amounts necessary to construct the Project.

The undersigned does certify that:

1. All of the moneys requested hereby are to refinance the Project.

2. The Borrower is not in default under the Promissory Note, the Loan Agreement or the Reimbursement Agreement and nothing has occurred to the knowledge of the Borrower that would prevent the performance of its obligations under the Loan Agreement, the Promissory Note or the Reimbursement Agreement.

Capitalized terms used but not defined herein shall have the meanings given in the Loan Agreement and Trust Indenture relating to the Bonds.

Executed this _____ day of _____, 2007.

PARKWAY CHRISTIAN CHURCH, INC.

By:

By: _____

By: _____

Approved:

FIFTH THIRD BANK
as Letter of Credit Bank

By: _____

Its: _____

**SCHEDULE
TO
REQUISITION CERTIFICATE NO. ____**

	<u>Payee</u>	<u>Address</u>	<u>Purpose for Requisition</u>	<u>Amount</u>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

TOTAL

\$ _____

BOND PURCHASE AGREEMENT

AMONG

**FIFTH THIRD SECURITIES, INC.,
AS UNDERWRITER,**

**TOWN OF DAVIE, FLORIDA,
AS ISSUER**

AND

**PARKWAY CHRISTIAN CHURCH, INC.,
AS BORROWER**

\$2,500,000

**TOWN OF DAVIE, FLORIDA
EDUCATIONAL FACILITIES REVENUE BONDS
SERIES 2007
(PARKWAY CHRISTIAN SCHOOL PROJECT)**

Dated as of November 1, 2007

BOND PURCHASE AGREEMENT

\$2,500,000
TOWN OF DAVIE, FLORIDA
EDUCATIONAL FACILITIES REVENUE BONDS
SERIES [2007](#)
(PARKWAY CHRISTIAN SCHOOL PROJECT)

Dated: November 1, 2007

Parkway Christian Church, Inc.
Davie, Florida

Town of Davie, Florida
Davie, Florida

Ladies and Gentlemen:

Fifth Third Securities, Inc. (the “Underwriter”) offers to enter into this Bond Purchase Agreement (this “Agreement”) with Parkway Christian Church, Inc. (the “Borrower”) and the Town of Davie, Florida (the “Issuer”) for the purchase (subject to the conditions contained in Section 4 hereof) of \$2,500,000 aggregate principal amount of the Issuer’s Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project) (the “Bonds”), to be issued pursuant to a Trust Indenture (the “Indenture”) dated as of [November 1, 2007](#) between the Issuer and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”) and a resolution of the Issuer adopted on November 7, 2007 (the “Resolution”). The proceeds of the Bonds are to be loaned to the Borrower pursuant to a Loan Agreement dated as of [November 1, 2007](#) (the “Loan Agreement”) between the Issuer and the Borrower for the purpose of refinancing existing debt of the Borrower utilized for the construction of a school in the Town of Davie, Florida, located at 1200 South Flamingo Road, Davie, Florida. The payment

when due of the principal and interest on (and purchase price of) the Bonds will be supported, to the extent provided therein, by a letter of credit (the "Letter of Credit") issued by Fifth Third Bank, an Ohio banking corporation, in its capacity as issuer of the Letter of Credit (the "Bank") pursuant to a Reimbursement and Pledge Agreement dated as of [November 1, 2007](#) (the "Reimbursement Agreement") between the Borrower and the Bank. The Bonds are more fully described in the Offering Circular dated November __, 2007 (the "Offering Circular") prepared in connection with the offer and sale of the Bonds.

It is intended that the Project will conform with the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, as supplemented and amended (the "Act"), that the proceeds of the Bonds will be expended so that the interest on the Bonds will not be included in gross income for the purposes of federal income taxation, and that the Underwriter may offer the Bonds to the public without registration of any security under the Securities Act of 1933, as amended (the "Securities Act"), or qualification of any indenture under the Trust Indenture Act of 1939 (the "Trust Indenture Act"). To assure that the interest on the Bonds be, and continue to be, excluded from gross income for federal income tax purposes, the Borrower will execute and deliver a Tax Compliance Certificate (the "Tax Compliance Certificate") for the benefit of the Trustee, the Issuer and the holders of the Bonds.

To induce the Issuer to enter into this Agreement and to issue and deliver the Bonds, the Borrower has joined in this Agreement, and to provide for the remarketing of the Bonds pursuant to the terms of the Indenture, the Borrower and the Underwriter, as remarketing agent, will enter into a Remarketing Agreement dated as of [November 1, 2007](#) (the "Remarketing Agreement").

Section 1. Representations, Warranties and Covenants of the Issuer. By the Issuer's acceptance hereof, the Issuer hereby represents and warrants to, and agrees with, the Underwriter that as of the date of acceptance of this Agreement:

(a) The Issuer is a municipal corporation and political subdivision of the State of Florida.

(b) The Issuer has full legal right, power and authority (i) to adopt the Resolution, (ii) to enter into this Agreement, the Indenture and the Loan Agreement, (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iv) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the Issuer has complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(c) The Issuer has duly authorized (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Indenture, (ii) the execution, delivery and due performance of this Agreement, the Bonds, the Indenture and the Loan Agreement, and (iii) the taking of any and all such actions as may be required on the part of the Issuer to

carry out, give effect to and consummate the transactions contemplated by such instruments including the use of the Offering Circular. All consents or approvals, if any, necessary to be obtained by the Issuer in connection with the foregoing have been received, and the consents or approvals so received, if any, are still in full force and effect.

(d) The Resolution has been duly adopted by the Issuer and is in full force and effect. This Agreement, when executed and delivered, constitutes, and the Indenture and the Loan Agreement, when executed and delivered, will constitute, legal, valid and binding obligations of the Issuer in accordance with their respective terms, except that enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by the exercise of judicial discretion in accordance with general principles of equity, and by matters of public policy.

(e) When duly authenticated by the Trustee, delivered to the Depository Trust Company and paid for by the Underwriter at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will be entitled to the benefit and security of the Loan Agreement and the Indenture.

(f) To the best of the Issuer's knowledge, neither the adoption of the Resolution, the execution and delivery of this Agreement, the Bonds, the Indenture or the Loan Agreement, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, will conflict with, or constitute on the part of the Issuer a violation of, or a breach of or default under, any indenture, mortgage, commitment, note or other agreement or instrument to which the Issuer is a party or by which it is bound, or under any existing rule, regulation, resolution, charter, judgment, order or decree to which the Issuer is subject.

(g) Other than the Indenture and the Loan Agreement, the Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Project or the properties and revenues pledged under the Indenture.

(h) To the best of the Issuer's knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Issuer, which in any way questions the powers of the Issuer referred to in paragraph (b) above, or the validity of any proceedings taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by, or the validity or enforceability of, the Resolution, the Indenture, the Loan Agreement, the Bonds or this Agreement.

(i) The Issuer hereby ratifies and authorizes the distribution and use of the Offering Circular. The information in the Offering Circular under the caption "THE ISSUER" was or will be, as of their respective dates, and as of the Closing Date true, correct and complete in all material respects, and such information in the Offering

Circular does not and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(j) The Issuer has relied on the Borrower for all information contained in the Offering Circular other than the information under the caption "THE ISSUER." The Issuer has not conducted any independent investigation or feasibility study with respect to the Project or the Bonds, and makes no representation as to the Project, the Bonds or the creditworthiness of the Borrower, the Bank, or any other party to the transaction and does not make any representations or warranties as to any of the statements, materials, representations or certifications furnished or to be furnished by the Borrower or any other party to the transaction in connection with the sale of the Bonds or as to the correctness, completeness or accuracy of such statements. The Issuer does not have the power to pledge the general credit or taxing power of the Issuer, the State of Florida or any other political subdivision of the State of Florida for the payment of principal, premium, if any, and interest on the Bonds.

(k) Any certificate relating to the Bonds signed by any official of the Issuer and delivered to Bond Counsel or the Underwriter at or before the Closing Date shall be deemed a representation and warranty by the Issuer to Bond Counsel and the Underwriter, as to the truth of the statements therein contained.

(l) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is a bond issuer whose arbitrage certificates may not be relied on.

(m) The Issuer will do or cause to be done all things necessary, so far as lawful, to preserve and keep in full force and effect its existence or to assure the assumption of its obligations under this Agreement, the Loan Agreement, the Indenture and the Bonds by any successor public body.

Section 2. Representations, Warranties and Covenants of the Borrower. By the Borrower's acceptance hereof, the Borrower represents and warrants to, and agrees with, the Underwriter and the Issuer that:

(a) The Borrower consists of an Florida nonprofit entity, organized as a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended (the "Code"), and as such is exempt from federal income tax, and is operating as a school organized under Florida law that is existing and in good standing under the laws of the State and is authorized to conduct business in the State and every other state in which the nature of its business requires such authorization.

(b) The Borrower has taken all necessary action to authorize, execute and deliver this Agreement, the Loan Agreement, the Remarketing Agreement, the Tax Compliance Certificate and the other documents and agreements (including, without limitation, the Reimbursement Agreement) executed and delivered in connection with the

issuance of the Bonds and the other transactions contemplated hereby (collectively, the “Related Documents”) and this Agreement, the Loan Agreement, the Remarketing Agreement, the Tax Compliance Certificate and the Related Documents have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors’ rights generally and general principles of equity.

(c) Except as disclosed in writing (including the financial statements of the Borrower) to the Bank and the Underwriter, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, public board or body or other governmental authority, pending or, to the best knowledge and information of the Borrower, threatened against or affecting the Borrower, wherein an unfavorable decision, ruling or finding could materially adversely affect the business or financial condition of the Borrower or could adversely affect the transactions contemplated by this Agreement or the Offering Circular, or which in any manner raises any question concerning the legality, validity or enforceability of this Agreement, the Bonds, the Indenture, the Loan Agreement, the Remarketing Agreement, the Tax Compliance Certificate or any Related Document, nor to the best knowledge and belief of the Borrower is there any basis therefor.

(d) The execution, delivery and performance by the Borrower of this Agreement, the Loan Agreement, the Remarketing Agreement, the Tax Compliance Certificate and the Related Documents do not and will not violate any order, injunction, ruling or decree by which the Borrower is bound, and do not and will not constitute a breach of or a default under any agreement, indenture, mortgage, lease, note or other obligation, instrument or arrangement by which the Borrower or any of its property is bound, or contravene or constitute a violation of, any law, rule or regulation to which the Borrower or any of its property is subject, and no approval or other action by, or filing or registration with, any governmental authority or agency is required in connection therewith which has not been previously obtained or accomplished.

(e) The descriptions and information contained in the Offering Circular under the captions “THE BORROWER,” and “THE PROJECT AND USE OF PROCEEDS” (such descriptions and information are referred to herein as the “Borrower’s Portion of the Offering Circular”) are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) Each of the Borrower’s representations and warranties contained in the Loan Agreement and the Reimbursement Agreement are true and correct in all material

respects on and as of the date hereof and are hereby made to the Underwriter on and as of the date hereof as if set forth herein at length.

(g) The Borrower will not take or omit to take any action, for itself or on behalf of the Issuer, which action or omission might in any way result in the loss of the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(h) Any certificate signed by any officer of the Borrower and delivered to the Underwriter shall be deemed a representation and warranty by the Borrower to the Underwriter as to the statements made therein.

(i) The Borrower shall cooperate with the Underwriter in any endeavor to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; and the Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in connection therewith; provided, however, that the Borrower shall not be required to incur any additional material out-of-pocket expenses except as provided herein, or register as a dealer or a broker in any such state or jurisdiction or make any additional representations or warranties in connection with the sale of securities, or to subject itself to service of process in any state or jurisdiction in which it is not already so subject. The Borrower consents to the use of the Offering Circular by the Underwriter in obtaining such qualification.

Section 3. Approval of Offering Circular by Issuer. The Issuer and the Borrower consent to the use by the Underwriter of the Offering Circular in connection with the offering of the Bonds prior to the date hereof. The Issuer and the Borrower authorize and approve the Offering Circular and consent to the use by the Underwriter of the Offering Circular.

Section 4. Purchase, Sale and Delivery of Bonds.

(a) If and when the Bonds are issued, the Issuer hereby agrees to sell to the Underwriter, and the Underwriter, upon the basis of the representations, warranties and covenants contained herein, but subject to the conditions hereinafter stated, agrees to purchase the Bonds from the Issuer at a purchase price of 100% of the principal amount thereof plus accrued interest, if any, to the Closing Date identified below. The purchase price for the Bonds will be \$2,500,000. The Borrower will pay the Underwriter at Closing an underwriting fee in the amount equal to ___% of the par amount of the Bonds.

(b) The Borrower has delivered to the Underwriter copies of the Offering Circular, as approved by the Underwriter, in quantities and at times sufficient to enable the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board

and the Securities and Exchange Commission. The Borrower hereby approves the use and distribution by the Underwriter to persons who may be interested in the purchase of the Bonds of the Offering Circular, and hereby authorizes the Underwriter to use and distribute the Offering Circular, and copies of the Indenture and all other documents, including without limitation the Letter of Credit and related documents, to be executed in connection with the underwriting and sale of the Bonds.

(c) Except as may be inconsistent with the provisions of this Bond Purchase Agreement, the Underwriter covenants and agrees to purchase all (but not less than all) of the Bonds at the price or prices set forth in paragraph (a) of this Section, and to send to each subsequent purchaser of the Bonds a copy of the Offering Circular concurrently with or prior to sending to such purchaser a final written confirmation of the sale. Further, the Underwriter agrees not to use the Offering Circular for the purpose of marketing the Bonds subsequent to receiving written notice from the Issuer, the Bank or the Borrower which (i) states that the Offering Circular contains an untrue statement of a material fact or omits to state a material fact, and (ii) specifically identifies the material fact or omission, provided that upon the amendment of the Offering Circular to the satisfaction of the party delivering the notice pursuant hereto, the Underwriter may, subject to the continuing obligations contained herein, resume use of the amended Offering Circular in marketing the Bonds. The Underwriter shall market the Bonds through a limited public offering and at a minimum investment of \$100,000.

(d) At 10:00 a.m. eastern standard time on November __, 2007, or at such earlier or later time or date as shall be agreed by the Issuer, the Bank, the Borrower and the Underwriter (such time and date being herein referred to as the "Closing Date"), the Issuer will issue and deliver the Bonds in definitive form (being one Bond in the aggregate principal amount of \$2,500,000 registered in the name of Cede & Co.), duly executed by the Issuer and authenticated by the Trustee (or Authenticating Agent if an entity separate from the Trustee is acting as an authenticating agent) as provided for in the Indenture; and the Underwriter shall arrange for the purchase price of the Bonds to be paid as set forth in paragraphs (a) and (c) of this Section by wire transfer in immediately available funds to an account specified by the Trustee, for the account of the Issuer (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be made available to the Trustee a reasonable time before the Closing Date for purposes of inspection, packaging and authentication. The Trustee shall deliver the Bonds to The Depository Trust Company in New York, New York at least 24 hours in advance of the Closing Date, or arrange for "fast close" procedures, provided that such Bonds shall not be released to the Underwriter until the purchase price therefor has been paid.

(e) Each of the parties hereto represents and agrees that it has not knowingly participated in and will not knowingly participate in, and is not aware of, any offering or sale of tax-exempt obligations (other than the Bonds) (i) which has been, is being or will be conducted during the period commencing 15 days prior to the date hereof and ending 15 days after the Closing Date, (ii) which has been, is being or will be paid from the same source of funds as the Bonds, determined without regard to guarantees from unrelated parties, and (iii) which was, is being or will be made pursuant to the same plan of

financing. For purposes of the foregoing sentence, tax-exempt obligations issued pursuant to the same plan of financing means tax-exempt obligations (other than Bonds) issued to finance a single facility or related facilities. The Underwriter further represents that it will not knowingly offer or sell any of the Bonds hereunder to or with any holder or group of holders that has purchased, is purchasing or will purchase any obligations sold pursuant to an offering which satisfies the conditions in clauses (i) and (ii) of the first sentence of this paragraph.

(f) The obligations of the Underwriter hereunder shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the Issuer and the Borrower contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the Issuer, the Bank and the Borrower made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Issuer and the Borrower of their respective obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(i) At the time of the Closing, (A) the Indenture, the Loan Agreement and the Letter of Credit shall be in full force and effect in the form heretofore approved by the Borrower, the Issuer, the Trustee and the Underwriter and none of the foregoing documents shall have been amended, modified or supplemented from the forms thereof as of the date hereof, except as may have been approved by the Underwriter, the Closing in all events, however, to be deemed such approval, (B) the proceeds of the sale of the Bonds shall be deposited and applied as described in the Loan Agreement and the Indenture and (C) the Borrower and the Issuer shall have duly adopted and there shall be in full force and effect such resolutions as are necessary in connection with the transactions contemplated herein and in the Offering Circular.

(ii) At or prior to the Closing, the Indenture shall have been executed and delivered by the Issuer and the Trustee, the Tax Compliance Certificate shall have been executed and delivered by the Borrower, the Loan Agreement shall have been executed and delivered by the Issuer and the Borrower, the Reimbursement Agreement shall have been executed and delivered by the Borrower and the Bank, and the Letter of Credit shall have been executed by the Bank.

(iii) At the Closing, the Issuer shall deliver the Bonds duly executed (or at such earlier time as may be required to comply with operational arrangements of DTC).

(iv) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter, the Issuer and the Borrower:

(A) The opinion of Bryant Miller Olive, counsel to the Borrower, dated the date of Closing, in form and substance reasonably acceptable to the Underwriter;

(B) The approving opinion of Barnes & Thornburg LLP, Bond Counsel and Bank Counsel, dated the date of Closing, in form and substance reasonably acceptable to the Underwriter;

(C) The opinion of Adorno & Yoss, LLP, [and the opinion of John C. Rayson, Esq., co-counsel](#) to the Issuer, dated the date of Closing, in form and substance reasonably acceptable to the Underwriter;

(D) A certificate dated the date of Closing and signed by the Borrower to the effect that (1) each of the representations and warranties of the Borrower set forth herein and in the Loan Agreement and the Reimbursement Agreement shall be accurate in all material respects as if made on and as of the date of Closing, (2) all of the conditions and agreements required in this Agreement and the Reimbursement Agreement to be satisfied or performed in all material respects by the Borrower at or prior to the date of Closing shall have been satisfied or performed in the manner and with the effect contemplated herein, and (3) as of the date of Closing, [to the knowledge of the Borrower](#), no event of default on the part of the Borrower under the Loan Agreement or the Reimbursement Agreement has occurred and is continuing and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute such an event of default;

(E) A certificate dated the date of Closing and signed by an authorized officer of the Issuer (or other officers of the Issuer satisfactory to the Underwriter) to the effect that (1) each of the representations and warranties of the Issuer set forth herein and in the Indenture and the Loan Agreement shall be accurate as if made on and as of the date of Closing, (2) all of the conditions and agreements required in this Agreement to be satisfied or performed by the Issuer at or prior to the date of Closing shall have been satisfied or performed in the manner and with the effect contemplated herein and (3) as of the date of Closing, no event of default on the part of the Issuer under the Indenture or the Loan Agreement has occurred and is continuing and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute such an event of default;

(F) A certificate dated the date of Closing and signed by a Vice President of the Bank, as to the due execution and delivery of the Letter of Credit by the Bank and as to the accuracy of the information regarding the Bank contained in the Offering Circular;

(G) A certificate of a duly authorized officer of the Trustee, as to the due execution of the Indenture by the Trustee and the due authentication and delivery of the Bonds by the Trustee, in form and substance satisfactory to the Underwriter;

(H) A photocopy of the Bond;

(I) A photocopy of the executed Letter of Credit; and

(J) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request in connection with the transactions contemplated by this Agreement.

(v) Between the date hereof and the Closing Date, legislation shall not have been enacted by Congress or be actively considered for enactment by Congress, or recommended to Congress for passage by the President of the United States, or introduced to either house of Congress, nor a decision rendered by any court of competent jurisdiction, or the Tax Court of the United States, nor any order, ruling, regulation or Offering Circular made by the United States Treasury Department or the Internal Revenue Service, with the purpose or effect of imposing federal income taxation upon revenues or other income of the character derived by the Issuer under the Loan Agreement or upon the interest to be paid on the Bonds or on bonds of the general character of the Bonds.

(vi) Between the date hereof and the Closing Date, legislation shall not have been enacted by Congress or be actively considered for enactment by Congress, or recommended to Congress for enactment by the President of the United States, or introduced or favorably reported for passage to either house of Congress, and neither a decision, order or decree of a court of competent jurisdiction, nor an order, ruling, regulation or Offering Circular of or on behalf of the Securities and Exchange Commission shall have been rendered or made, with the purpose or effect that the issuance, offering or sale of the Bonds or any related security or obligations of the general character of the Bonds or any related security as contemplated hereby, or the execution and delivery of, is or would be subject to violation of any provision of, or is or would be subject to registration or qualification requirements under, the Securities Act or the Trust Indenture Act.

(vii) Between the date hereof and the Closing Date, there shall not have occurred any action by the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, or any governmental agency or court which calls into question the validity or enforceability of the Letter of Credit.

(viii) No event shall have occurred or fact exist which makes untrue, incorrect or inaccurate, in any material respect as of the time the same purports to speak, any statement or information contained in the Offering Circular, or which is not

reflected in the Offering Circular but should be reflected therein as of the time and for the purpose for which the Offering Circular is to be used in order to make the statements and information contained therein not misleading in any material respect as of such time.

(ix) All matters relating to this Agreement, the Remarketing Agreement, the Offering Circular, the Resolution, the Indenture, the Bonds, the Loan Agreement, the Tax Compliance Certificate, the Letter of Credit, the Reimbursement Agreement and the consummation of the transactions contemplated by this Agreement and the Offering Circular, shall be reasonably satisfactory to and subject to the approval of the Underwriter.

If the conditions to the Underwriter's obligations contained in this Agreement are not satisfied or if the Underwriter's obligations shall be terminated for any reason permitted herein, this Agreement shall, at the option of the Underwriter, terminate and neither the Underwriter, the Issuer, nor the Borrower shall have any further obligations hereunder, except as provided in Section 6 with respect to the payment of certain expenses.

Section 5. No Pecuniary Liability of Issuer. No provision, covenant, or agreement contained in this Bond Purchase Agreement, and no obligation herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer or the State of Florida or any political subdivision thereof within the meaning of any State of Florida constitutional provision or statutory limitation or shall constitute or give rise to any pecuniary liability of the Issuer or the State of Florida or any political subdivision thereof or a charge against its general credit or taxing powers. In making the agreements, provisions and covenants set forth in this Bond Purchase Agreement, the Issuer has not obligated itself, except to the extent that the Issuer is authorized to act pursuant to Florida law and except with respect to the pledge of the properties and revenues to the Trustee, as provided in the Indenture. The Issuer and any of its officials, officers, employees, members or agents shall have no monetary liability arising out of the obligations of the Issuer hereunder or in connection with any covenant, representation or warranty made by the Issuer herein, and neither the Issuer nor its officials shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from properties and revenues or other moneys received from or on behalf of the Borrower, as provided in the Indenture.

Section 6. Fees and Expenses. All reasonable costs and expenses incident to the performance of the Issuer's, the Underwriter's, and the Borrower's obligations in connection with the authorization, issuance and sale of the Bonds shall be paid by the Borrower, including the costs for printing or reproducing the Offering Circular and the Bonds, The Depository Trust Company and CUSIP Service Bureau charges (if any), fees and expenses of the Issuer, including the fees and expenses of its counsel, fees and expenses of the Bank, including the fees and expenses of its counsel, fees and expenses of the Trustee, fees and expenses of Bond Counsel and the fees and expenses of the Underwriter and Underwriter's Counsel; subject, however, to any terms and conditions

previously agreed to by the Borrower and such persons with respect to the amounts of such fees and expenses. To the extent statements for such costs and expenses are available on the Closing Date, the Borrower shall pay such costs and expenses on the Closing Date.

Section 7. Indemnification and Contribution.

(a) General. The Underwriter and the Borrower (each, an “Indemnifying Party”) each covenants and agrees to indemnify each other and the Issuer and their respective directors, members, officers, partners, trustees, representatives, attorneys, agents and employees and each person, if any, who controls any of such persons within the meaning of Section 15 of the Securities Act (collectively, the “Indemnified Parties”) for, and to hold each Indemnified Party harmless against all liabilities, claims, costs, losses and expenses (including without limitation, to the extent permitted by law, reasonable attorneys’ fees and expenses), imposed upon or asserted against the Indemnified Parties;

(i) Under any statute or regulation, at law, in equity or otherwise, insofar as those liabilities, claims, costs, losses and expenses arise out of or are based upon any untrue statement or alleged untrue statement of a material fact with reference to the information referred to in Section 7(c) hereof contained in the Offering Circular, or any amendment thereof or supplement thereto, or any other sales material used by the Underwriter (provided that the Indemnifying Party shall have approved in writing the use of such material), or which arise out of or are based upon any omission or alleged omission to state therein with reference to such information a material fact which is required to be stated therein or which is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(ii) Pursuant to any action, claim or proceeding brought in connection with any of the foregoing; and

(iii) To the extent of the aggregate amount paid in settlement of any actions, claims or proceedings, commenced or threatened, based upon any untrue statement, alleged untrue statement, omission or alleged omission described above, if the settlement is effected with the written consent of the Indemnifying Party; and (unless the Indemnifying Party assumes the defense of the applicable claim, suit, action or proceeding pursuant to paragraph (b) below) shall reimburse any legal or other expenses incurred reasonably by any Indemnified Party in connection with investigating and defending any liability, claim, cost, loss, expense, action or proceeding described above; provided, nothing herein shall require the Indemnifying Party to pay for any losses, claims, damages, liabilities or expenses resulting from the negligence or the willful misconduct of an Indemnified Party. At the request and the expense of the Indemnifying Party, each Indemnified Party shall cooperate in making any investigation and defense of any action, claim or proceeding and shall assert appropriately the rights,

privileges and defenses which are available to the Indemnified Party in connection therewith.

(b) Procedure. The Indemnified Party shall, in the event of any claim, suit, action or proceeding against it, any of its directors, members, managers, officers, partners, representatives or employees or any persons controlling it as referenced above, in respect of which indemnity may be sought on account of any indemnity agreement by the Indemnifying Parties contained herein, promptly give written notice thereof to the appropriate Indemnifying Parties. When such notice is given, the Indemnifying Party shall be entitled to participate at its own expense in the defense of, or if it so elects, to assume the defense of, such claim, suit, action or proceeding, in which event such defense shall be conducted by counsel chosen by the Indemnifying Party, but if the Indemnifying Party shall elect not to assume such defense, it shall reimburse such Indemnified Party or Parties for the reasonable fees and expenses of any counsel retained by them. The foregoing notwithstanding, (i) in the event that the Indemnifying Party shall assume such defense and any Indemnified Party or Parties shall be advised by independent legal counsel that counsel selected by the Indemnifying Party is not fully and adequately protecting such party or parties and representing the interests of such party or parties, or (ii) in the case of the Issuer as the Indemnified Party, if the Issuer, in its sole discretion, desires to employ separate counsel of its own choosing in its defense, any such Indemnified Party or Parties shall have the right to conduct its or their own defense against any such claim, suit, action or proceeding in addition to or in lieu of any defense conducted by the Indemnifying Party, and the Indemnifying Party shall indemnify and hold harmless such Indemnified Party or Parties against and from any and all suits, claims, damages, liabilities or expenses whatsoever (including reasonable fees and expenses of counsel selected by such Indemnified Party or Parties) incurred by and arising out of or in connection with any such claim, suit, action or proceeding. An Indemnifying Party shall not be liable for the settlement of any claim, suit, action or proceeding effected without its consent, which consent shall not be withheld unreasonably.

(c) Indemnified Information. The information as to which each Indemnifying Party hereto indemnifies the Indemnified Parties is as follows:

(i) The Borrower as Indemnifying Party: the entire Offering Circular, with the exception of the Appendix, the information under the captions “THE ISSUER” and “UNDERWRITING” and the information describing the book entry system applicable to the Bonds; and

(ii) The Underwriter as Indemnifying Party: information in the section of the Offering Circular captioned “UNDERWRITING.”

Section 8. Responsibilities of Underwriter. The Underwriter agrees that it will not solicit offers to purchase any Bonds or beneficial interests in the Bonds except: (a) in jurisdictions (i) where the Bonds or the beneficial interests in the Bonds are qualified for offering and sale, and the Underwriter is qualified to offer and sell the Bonds or the

beneficial interests in the Bonds on behalf of the Issuer, or (ii) where the Bonds, the beneficial interests in the Bonds and the Underwriter are exempt from registration; and (b) where such solicitation would not violate or give rise to a violation of the securities laws of the United States of America or of a jurisdiction in which offers to purchase the Bonds or the beneficial interests in the Bonds are solicited.

Section 9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

Section 10. Notices. Any notice or other communication to be given to any party to this Bond Purchase Agreement may be given by delivering the same in writing at the respective addresses set forth below:

(a) If to the Issuer: Town of Davie, Florida
6591 Orange Drive
Davie, Florida 33314
Attention: Town Administrator

(b) **If to the Borrower: Parkway Christian Church, Inc.**

1200 South Flamingo Road
Davie, Florida 33325

 (c) If to the Underwriter: Fifth Third Securities, Inc.
38 Fountain Square Plaza
MD#10903B
Cincinnati, Ohio 45263
Attn: Municipal Trading

Section 11. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, and by the parties hereto on separate counterparts, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 12. Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns, except that no party hereto may assign any of its rights or obligations hereunder without the consent of the other parties.

Section 13. Survival of Issuer's and Borrower's Representations and Obligations. The respective agreements, representations (which are made only as of the date this Agreement is accepted) and warranties of the Issuer and the Borrower and their respective officials or officers set forth in, or made pursuant to, this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the

results thereof, made by or on behalf of the Underwriter, the Issuer, the Borrower or any of their respective officials, officers or directors or agents or any controlling person, referred to in the first paragraph of Section 7, and will survive delivery of and payment for the Bonds, the maturity of the Bonds and any termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

SIGNATURE PAGE OF UNDERWRITER
TO
BOND PURCHASE AGREEMENT

Accepted as of this 1st day of November, [2007](#).

FIFTH THIRD SECURITIES, INC.

By:

Douglass B. Dalton, Vice President

SIGNATURE PAGE OF ISSUER
TO
BOND PURCHASE AGREEMENT

Accepted as of this 1st day of November, [2007](#).

TOWN OF DAVIE, FLORIDA

Mayor

ATTEST:

Town Clerk

SIGNATURE PAGE OF BORROWER
TO
BOND PURCHASE AGREEMENT

Accepted as of this 1st day of November, 2007.

PARKWAY CHRISTIAN CHURCH, INC.

By: _____

By: _____

By: _____

PRELIMINARY OFFERING CIRCULAR DATED NOVEMBER __, 2007

NEW ISSUE-BOOK-ENTRY ONLY

NON-RATED

In the opinion of Bond Counsel, under existing law, interest on the Bonds (defined herein) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Such exclusion is conditioned on continuing compliance with the Tax Covenants (defined herein). See "TAX MATTERS" and APPENDIX B for the form of opinion of Bond Counsel.

\$2,500,000*
TOWN OF DAVIE, FLORIDA
EDUCATIONAL FACILITIES REVENUE BONDS
SERIES 2007
(PARKWAY CHRISTIAN SCHOOL PROJECT)

Dated: Date of Initial Price: 100% Due: November 1, 2027
Delivery

The Bonds are issuable as fully registered bonds and 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 will be made in book-entry-only form, in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess thereof. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds purchased. See "THE BONDS—Book-Entry-Only System" herein. The principal of and the redemption premium, if any, on the Bonds and the purchase price of the Bonds will be payable at the designated corporate trust office of the Trustee. Interest on the Bonds will be payable by wire transfer to DTC which will, in turn, remit such payment to DTC's Participants for subsequent disbursement, directly or indirectly, to the Beneficial Owners of the Bonds.

The Bonds will be limited obligations of the Town of Davie, Florida (the "Issuer") payable from and secured by a pledge of payments to be made under a Loan Agreement between the Issuer and Parkway Christian Church, Inc., a 501(c)(3) organization and the operating entity of Parkway Christian School (the "Borrower"). From the date of original issue through November 15, 2012, unless sooner terminated or extended, the Bonds will be payable from an irrevocable direct pay Letter of Credit issued by



an Ohio banking corporation (the "Bank") in favor of The Bank of New York Trust Company, N.A., as Trustee (the "Trustee"). The Trustee will be entitled to draw up to an amount sufficient to pay the principal of and up to 45 days' accrued interest on the Bonds, at a maximum rate of 10% per annum, to be used (a) to pay the principal of and interest on the Bonds when due and (b) to pay the purchase price of Bonds tendered by the holders thereof as provided in the Indenture. The Letter of Credit will expire, unless earlier terminated or extended as described herein, on November 15, 2012. The Letter of Credit may be replaced by an irrevocable letter of credit of a commercial bank other than Fifth Third Bank, as described herein.

For the period from and including the date of the first authentication and delivery of the Bonds and prior to conversion to a fixed rate of interest, the Bonds will bear interest at a rate determined weekly by Fifth Third Securities, Inc., as Remarketing Agent, as described herein. Interest shall be payable (i) prior to the date of conversion of the interest rate on the Bonds to a fixed rate (the "Conversion Date"), on the first Business Day (as hereinafter defined) of each month, commencing December 1, 2007, (ii) on the Conversion Date and (iii) from and after the Conversion Date on May 1 and November 1 of each year. As described herein, any Bond bearing interest at the variable rate will be purchased upon the demand of the owner or the Beneficial Owner thereof, at a purchase price of par plus accrued interest, on any Business Day upon 7 days' notice and delivery thereof to the Trustee, in its capacity as tender agent. The interest rate borne by the Bonds is subject to conversion to a fixed rate of interest at the option of the Borrower as described herein. Following conversion to a fixed rate of interest, the Bonds shall no longer be subject to purchase upon the demand of the owners thereof as described above. The Bonds will be subject to redemption or mandatory tender prior to maturity as more fully described herein.

The Bonds are not general obligations and do not constitute a debt or pledge of credit or taxing power of the Issuer, the State of Florida or any political subdivision thereof or any agency of the State or such political subdivision, but are limited obligations payable solely from certain amounts payable by the Borrower under the Loan Agreement and other moneys pledged therefor under the Indenture and from funds drawn under the Letter of Credit, all as described herein. The Bonds are being marketed and sold on the basis of the Letter of Credit, and not on the basis of the credit of the Borrower or the financial viability of the Project.

* Preliminary, subject to change

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

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Offering Circular to obtain information essential to the making of an informed investment decision.

The Bonds are offered subject to prior sale, when, as and if issued by the Issuer, subject to the approval of their legality by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel and counsel to the Bank, and certain other conditions. Certain legal matters will be passed upon by Bryant Miller Olive, Miami, Florida, as counsel to the Borrower, and Adorno & Yoss, LLP and John C. Rayson, Esq., as co-counsel to the Issuer. It is expected that delivery of the Bonds will be made on or about November __, 2007, in New York, New York, through facilities of The Depository Trust Company.



No dealer, broker, salesperson or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations, other than those contained in this Offering Circular, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Offering Circular 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 information set forth herein has been obtained from sources which are believed to be reliable, but it is not guaranteed as to the accuracy or completeness, and is not to be construed as a representation by the Underwriter or by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The Bonds have not been registered with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon Section 3(a)(2) thereof, or registered in any state and will not be issued on any stock or other securities exchange. Neither the SEC nor any other federal, state or any other governmental entity or agency will have passed upon the accuracy or adequacy of this Offering Circular or approved the Bonds for sale, except as disclosed herein.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER, THE BORROWER AND THE BANK AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SECTION 40. OFFERING CIRCULAR SUMMARY

This summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular and in the Appendix hereto. The offering of the Bonds to potential investors is made only by means of the entire Offering Circular. No person is authorized to detach this summary from this Offering Circular or to otherwise use it without this entire Offering Circular.

USE OF PROCEEDS

SECTION 41.

The Borrower intends to utilize the net proceeds of the Bonds for the refinancing of existing debt for Parkway Christian School in the Town of Davie, Florida, located at 1200 South Flamingo Road.

THE OFFERING

SECTION 42.

SECURITIES BEING OFFERED	\$2,500,000* of aggregate principal amount of Town of Davie, Florida Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project). See “THE BONDS.”
FORM OF BONDS.....	Fully registered.
MINIMUM DENOMINATION	\$100,000
UNDERWRITER	Fifth Third Securities, Inc.
REMARKETING AGENT	Fifth Third Securities, Inc.
LETTER OF CREDIT.....	Irrevocable direct pay letter of credit will be issued by Fifth Third Bank (the “Bank”), and will secure payment of \$2,500,000* principal

* Preliminary, subject to change

amount of the Bonds, plus an amount equal to 45 days' accrued interest thereon computed at the maximum rate of 10% per annum, calculated on the basis of a 360 day year and the actual number of days elapsed, or \$30,822, and will expire on November 15, 2012, unless sooner terminated or otherwise extended. See "THE LETTER OF CREDIT." Payment of principal of and interest on the Bonds at maturity or upon redemption or acceleration will be made first from moneys obtained by the Trustee pursuant to draws on the Bank under the Letter of Credit.

INTEREST RATE..... From the date of initial delivery through and including November __, 2007, the Bonds will bear interest at the rate established by the Underwriter for the Variable Rate. Thereafter, unless the Issuer shall have elected to convert the interest rate to a different Interest Rate Mode, the interest rate will continue to be the Variable Rate.

INTEREST PAYABLE..... On the first Business Day of each month, beginning December 1, 2007, while the Bonds bear interest at the Variable Rate, and on the first day of each May and November while the Bonds bear interest at the Fixed Interest Rate.

INTEREST RATE MODES At the option of the Issuer, upon certain conditions, the interest rate may be converted from a Variable Rate to a Fixed Interest Rate fixed for the remaining term of the Bonds. The following chart sets forth for each Interest Rate Mode, the Interest Rate Determination Date, which is the date the Remarketing Agent determines the interest rate on the Bonds, the Interest Rate Adjustment Date, which is the date

on which the interest rate on the Bonds is adjusted, either as the result of the conversion of the interest rate on the Bonds to a different Interest Rate Mode or by adjustment of the interest rate on the Bonds within the applicable Interest Rate Mode, and the interest rate period for each Interest Rate Mode:

<u>INTEREST RATE MODE</u>	<u>INTEREST RATE ADJUSTMENT DATE</u>	<u>INTEREST RATE DETERMINATION DATE*</u>	<u>INTEREST RATE PERIOD</u>
Variable commencing	Friday of each week	4:00 P.M. on Thursday of each week, or the Preceding Business Day if Thursday is not a Business Day**	One week Friday**
Fixed period the month	First Business Day of any month the first	5 to 12 days before the Interest Rate Adjustment Date	For a fixed commencing Business Day of

* See "THE BONDS -- Conversion of Interest Rate on Bonds" for a description of applicable notice and delivery deadlines.

** When converting from another Interest Rate Mode, the Interest Rate Determination Date for the Variable Rate is 4:00 p.m. on the Business Day (as defined below) before the Interest Period Reset Date. The first Interest Rate Period would commence on the Interest Period Reset Date and continue through the following Thursday.

BUSINESS DAY A day of the year other than a Saturday or Sunday, on which commercial banks located in the cities in which the designated corporate trust office of the Trustee and the principal office of the Bank are located are not required or authorized to remain closed, or a day on which The New York Stock Exchange or the payment system of the Federal Reserve System is not closed.

RECORD DATE..... The Business Day next preceding an Interest Payment Date applicable to that Bond, with respect to any Bond that bears interest at the Variable Rate, and with respect to any Bond that bears interest at the Long Term Interest Rate, the fifteenth (15th) of the month next preceding an Interest Payment Date applicable to that Bond.

INFORMATION ABOUT FIFTH THIRD BANK

SECTION 43.

Fifth Third Bank is the Issuer of the Letter of Credit. Certain information concerning Fifth Third Bank, including certain financial information, has been provided by Fifth Third Bank and is contained in the Appendix to this Offering Circular. Neither the Issuer nor the Underwriter makes any representation or warranty as to the accuracy or completeness thereof.

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OFFERING CIRCULAR

\$2,500,000*

**TOWN OF DAVIE, FLORIDA
EDUCATIONAL FACILITIES REVENUE BONDS
SERIES 2007
(PARKWAY CHRISTIAN SCHOOL PROJECT)**

* Preliminary, subject to change

SECTION 44. INTRODUCTORY STATEMENT

This Offering Circular is provided to furnish information in connection with the issuance and sale by the Town of Davie, Florida (the “Issuer”) of \$2,500,000* aggregate principal amount of its Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project) (the “Bonds”). The Bonds will be limited obligations of the Issuer as described under the caption “THE BONDS—Limited Obligations” herein.

The Bonds will be issued under a Trust Indenture, dated as of November 1, 2007 (the “Indenture”), between the Issuer and The Bank of New York Trust Company, N.A., as trustee (the “Trustee”). The proceeds of the Bonds will be loaned to Parkway Christian Church, Inc. (the “Borrower”) pursuant to a Loan Agreement (the “Loan Agreement”), dated as of November 1, 2007, between the Issuer and the Borrower, for the refinancing of existing debt for Parkway Christian School in the Town of Davie, Florida, located at 1200 South Flamingo Road (the “Project”).

Concurrently with, and as a condition to, the issuance of the Bonds, the Borrower will cause to be delivered to the Trustee an irrevocable letter of credit dated the date of original issuance of the Bonds (the “Letter of Credit”) of Fifth Third Bank, an Ohio banking corporation (the “Bank”). The Letter of Credit may be extended or replaced by a letter of credit of another commercial bank, federal savings bank, savings and loan association or branch or agency of a foreign commercial bank as described under the caption “THE LETTER OF CREDIT” herein. Under the Letter of Credit, the Trustee will be entitled to draw up to an amount sufficient to pay (a) the principal of the Bonds or the portion of the purchase price corresponding to the principal of the Bonds and (b) up to 45 days’ accrued interest (at a maximum rate of 10% per annum) on the Bonds or that portion of the purchase price of the Bonds corresponding to accrued interest thereon. The Letter of Credit will be issued pursuant to a Reimbursement Agreement, dated as of November 1, 2007 (the “Reimbursement Agreement”), between the Bank and the Borrower. The Borrower will agree in the Reimbursement Agreement to reimburse the Bank for drawings made under the Letter of Credit and to make certain other payments.

All of the Issuer’s rights under the Loan Agreement will be assigned to the Trustee as security for the payment of the principal of, premium, if any, and interest on the Bonds, except for certain rights to notices, approvals, fees and indemnification payments.

The obligations of the Borrower to make payments under the Loan Agreement are absolute and unconditional. The obligation of the Borrower to make the payments due under the Loan Agreement shall be deemed to be satisfied and discharged to the extent of corresponding payments made by the Bank to the Trustee pursuant to draws made under the Letter of Credit as described above.

As more fully described in this Offering Circular and in the Indenture, Bondholders will have the option to tender Bonds for purchase at the principal amount thereof plus accrued interest to the date of purchase, on any Business Day, as defined herein, prior to and including the Conversion Date, as defined herein, upon seven calendar days’ notice as described herein. In order to provide for the remarketing of

tendered Bonds, the Borrower will enter into a Remarketing Agreement dated as of November 1, 2007 (the “Remarketing Agreement”) between the Borrower and Fifth Third Securities, Inc. (referred to herein in such capacity as the “Remarketing Agent”).

PURCHASERS OF THE BONDS SHOULD MAKE THEIR DECISION TO INVEST IN THE BONDS SOLELY UPON THEIR ASSESSMENT OF THE CREDITWORTHINESS OF THE BANK. NO ATTEMPT IS MADE IN THIS OFFERING CIRCULAR TO DESCRIBE THE BORROWER OR ITS OPERATIONS WITH RESPECT TO THE PROJECT IN A MANNER THAT WOULD ENABLE PURCHASERS OF THE BONDS TO ASSESS THE CREDITWORTHINESS OF THE BORROWER. ACCORDINGLY, IN DECIDING WHETHER TO PURCHASE THE BONDS, POTENTIAL INVESTORS SHOULD NOT RELY UPON THE ABILITY OF THE BORROWER TO MAKE THE REQUIRED PAYMENTS UNDER THE LOAN AGREEMENT.

The Bonds will be issued only in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), as securities depository (DTC and its successors under the Indenture in such capacity being herein referred to as the “Depository”). No physical delivery of the Bonds will be made to any purchaser thereof. So long as Cede & Co., as nominee of DTC, is the registered owner, references to Bondholders or holders or owners shall mean Cede & Co., and shall not mean the hereinafter defined Beneficial Owners of the Bonds. See “THE BONDS—Book-Entry-Only System” herein.

Brief descriptions of the Issuer, the Borrower, the Project, the Bonds, the Letter of Credit, the Reimbursement Agreement, the Loan Agreement and the Indenture are included herein. A brief description of the Bank is included as Appendix A hereto. Such descriptions do not purport to be comprehensive or definitive. All statements made herein with respect to the Loan Agreement, the Indenture and the Reimbursement Agreement are qualified in their entirety by reference to such documents, and statements made herein regarding the Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the information with respect thereto included in the aforementioned documents, copies of all of which are available for inspection at the designated corporate trust office of the Trustee, at its office at 300 N. Meridian Street, Suite 910, Indianapolis, Indiana 46204, Attention: Corporate Trust Department.

SECTION 45. THE ISSUER

The Town of Davie, Florida is a municipal corporation duly organized and existing under the laws of the State of Florida.

The provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law (collectively, the “Act”), authorize a city, town or county, pursuant to the Act, to issue revenue bonds and loan the proceeds therefrom to a person that has entered into a financing agreement with such city, town or county to make a significant contribution to the economic growth within the municipal boundaries of the Town, provide and preserve

gainful employment, provide educational opportunities and serve a public purpose by advancing the economic prosperity and the general welfare of the State and its people.

The Issuer has not prepared any material for inclusion in this Offering Circular except the matters under the heading "THE ISSUER" herein. The distribution of this Offering Circular has been duly approved and authorized by the Issuer. Such approval and authorization do not, however, constitute a representation of approval by the Issuer of the accuracy or sufficiency of any information contained herein except to the extent of the information contained in this section.

The Issuer is empowered by the Act to issue the Bonds, to loan the proceeds from the sale of the Bonds to the Borrower, and to secure the Bonds by an assignment and pledge of its rights under the Loan Agreement and the Promissory Note to the Trustee pursuant to the Indenture. To accomplish such actions, the Issuer will enter into the Indenture and the Loan Agreement and endorse the Promissory Note to the Trustee, upon delivery of such documents and certificates as shall be required at the closing.

No covenant or agreement contained in the Indenture, the Bonds, the Loan Agreement or the Bond Purchase Agreement shall be deemed to be a covenant or agreement of any member of the Issuer or of any officer or employee of the Issuer, nor shall any such member, officer or employee be liable personally on the Bonds.

Additional information with respect to the Issuer, its Town Council or the members thereof, may be obtained from the Town Administrator of the Town of Davie, telephone 954-797-1030.

THE BONDS DO NOT AND SHALL NOT REPRESENT OR CONSTITUTE A DEBT OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE PROVISIONS OF THE CONSTITUTION OR STATUTES OF THE STATE OF FLORIDA OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED, GIVEN OR LOANED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

SECTION 46. THE BORROWER

SECTION 47.

The Borrower is organized as an Florida not-for-profit corporation, organized as a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended (the "Code"), operating as a church that will own the Project. The mailing address of the Borrower is 1200 South Flamingo Road, Davie, Florida 33325.

Investors are cautioned that the Bonds are being marketed and sold on the basis of the credit of the Bank, as issuer of the Letter of Credit, and not on the basis of the credit of the Borrower or the financial viability of the Project. No attempt is made in this Offering Circular to describe the Borrower or its operations in a manner that could enable purchasers of the Bonds to assess the creditworthiness of the Borrower.

SECTION 48. THE PROJECT AND USE OF PROCEEDS

The Borrower intends to utilize the net proceeds of the Bonds for the refinancing of existing debt for Parkway Christian School in the Town of Davie, Florida, located at 1200 South Flamingo Road.

SECTION 49. THE BONDS

General

The Bonds will be dated the date of the original issuance thereof, and will mature on November 1, 2027. As more fully provided under the caption “THE BONDS—Book-Entry-Only System” herein, one fully registered Bond will be delivered to DTC and transfers of ownership interests in the Bonds will be made only by computerized book entries (the “Book-Entry System”). If, however, the Book-Entry System is discontinued, then the Bonds will be issued as registered Bonds prior to the Conversion Date in denominations of \$100,000 each or any integral multiple of \$5,000 in excess thereof, and on and after the Conversion Date in denominations of \$5,000 each or any integral multiple thereof (“Authorized Denominations”), and the Bonds may be transferred upon presentation at the designated corporate trust office of the Trustee without charge except that any tax or other governmental charge required to be paid in connection with a transfer must be paid as a condition to the exercise of the transfer privilege. As used herein, the term “Conversion Date” shall mean the day on which the interest rate on the Bonds shall be converted from a variable rate to a fixed rate in accordance with the Indenture.

Interest on the Bonds is payable (a) prior to the Conversion Date on the first Business Day (as hereinafter defined) of each month, commencing on December 1, 2007, (b) on the Conversion Date, and (c) from and after the Conversion Date, interest is payable on May 1 and November 1 of each year (each such date being an “Interest Payment Date”). Prior to the Conversion Date, interest shall be computed on the basis of 365 or 366 days, as applicable, for the actual number of days elapsed and following the Conversion Date, shall be computed on the basis of 360 days consisting of twelve 30-day months.

“Business Day” means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in the city in which the designated corporate trust office of the Trustee (or its bond registrar, paying agent or tender agent offices) is located or the principal office of the Remarketing Agent is located or the office of the Bank at which action is to be taken to realize moneys under the Letter of Credit are required or authorized by law or executive order to be closed, or (iv) a day on which the New York Stock Exchange is closed.

Book-Entry-Only System

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully

registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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 Participant's 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or other such DTC nominee

do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds, unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuer or the Trustee, subject to any statutory or regulatory requirement as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered.

For every transfer and exchange of the Bonds, the Trustee and DTC and the DTC Participants will charge the Beneficial Owner a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner, of any amount with respect to principal or interest on the Bonds.

THE INFORMATION IN THIS SECTION “BOOK-ENTRY-ONLY SYSTEM” HAS BEEN FURNISHED BY DTC. NO REPRESENTATION IS MADE BY THE AUTHORITY OR THE TRUSTEE AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. NO ATTEMPT HAS BEEN MADE BY THE AUTHORITY OR THE TRUSTEE TO DETERMINE WHETHER DTC IS OR WILL BE FINANCIALLY OR OTHERWISE CAPABLE OF FULFILLING ITS OBLIGATIONS, AND NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL OR INTEREST PAYMENT THEREON.

Limited Obligations

Neither the Issuer, the State of Florida (the “State”) nor any political subdivision thereof shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto, except that the Issuer shall be obligated to make such payments solely from the security for the Bonds described below. Neither the faith and credit nor the taxing power of the Issuer, the State or any political subdivision thereof is pledged to the payment of the principal, premium, if any, or the interest on, the Bonds. The Bonds are not general obligations of the Issuer, but are limited obligations payable solely from certain amounts payable by the Borrower under the Loan Agreement and other moneys pledged therefor under the Indenture. Neither the Issuer, the State nor any political subdivision of the State has any obligation with respect to any purchase of the Bonds.

Security for the Bonds

The principal security for the Bonds consists of the right of the Trustee to draw upon the Letter of Credit (see “THE LETTER OF CREDIT” herein) and of the unconditional obligation of the Borrower under the Loan Agreement to make the Loan Repayments (as defined in the Indenture) in amounts sufficient to allow the Issuer to make its corresponding payments of the principal, premium, if any, and interest due on the Bonds.

The Issuer in the Indenture will pledge and assign to the Trustee for the payment of the Bonds all of the following: (a) all Loan Repayments received by the Issuer under the Loan Agreement, which Loan Repayments include amounts drawn under the Letter of Credit for payment of the principal, premium, if any, and interest due on the Bonds and the purchase price of the Bonds; (b) all moneys in the Bond Fund and the Construction Fund; (c) all of the Issuer's rights and interest in the Promissory Note (as defined in the Indenture); (d) all of the Issuer's rights and interest in the Loan Agreement (reserving certain rights of the Issuer and certain related parties in respect of attorneys' fees, indemnification and its administrative costs); and (e) all of the proceeds of the foregoing, including, without limitation, investments thereof. The foregoing are collectively referred to as the "Security."

The rights of the Bondholders and the Trustee as to payment of the Bonds are subject to applicable bankruptcy, insolvency and similar laws and principles of equity and public policy affecting creditors' rights generally.

Interest Rates on the Bonds

Prior to the Conversion Date. Interest on the Bonds will be payable at a variable rate of interest (the "Variable Rate") from the date of original issue until the earlier of the Conversion Date or the date of payment in full of the Bonds (the "Variable Rate Period"). During the Variable Rate Period, the Variable Rate shall be determined on the basis of a 365/366-day year, actual number of days elapsed, by the Remarketing Agent, by 4:00 p.m. Eastern Time on each Thursday (or the immediately preceding Business Day, as defined in the Indenture, if Thursday is not a Business Day) effective on the following Friday and shall be the rate of interest which, if borne by the Bonds, would, in the judgment of the Remarketing Agent, having due regard to the prevailing financial market conditions for tax-exempt revenue bonds or other tax-exempt securities of the same general nature as the Bonds or tax-exempt securities which are comparable as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of the Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to remarket the Bonds at a price of par (exclusive of accrued interest, if any) at the time such interest rate is determined. The Variable Rate as so determined shall be uniform during each Calendar Week (as hereinafter defined) for all Bonds. Notwithstanding the foregoing, the Variable Rate shall not exceed 10% per annum. If no Remarketing Agent is serving under the Indenture, or if for any reason the Remarketing Agent has not determined the Variable Rate on a Thursday (or immediately preceding Business Day if Thursday is not a Business Day) for the next day of Friday, the Variable Rate effective for such Calendar Week shall be the Variable Rate most recently determined by the Remarketing Agent as aforesaid.

As used herein, "Calendar Week" means the period of seven days from and including Friday to and including the following Thursday; provided, however that the first Calendar Week means the period from the date on which the Bonds are delivered to the purchaser or purchasers thereof upon original issuance to and including the following Thursday.

On and after the Conversion Date. The Bonds shall bear interest at a fixed annual rate of interest (the "Fixed Rate") on and after the Conversion Date. The Fixed Rate for

the Bonds shall be determined, on the basis of a 360-day year consisting of twelve (12) months of 30 days each, by the Remarketing Agent on a date which is not more than twelve (12) Business Days nor less than five (5) Business Days prior to the proposed Conversion Date (the "Computation Date") and shall be the rate determined by the Remarketing Agent on the Computation Date to be the rate which, if borne by the Bonds would, in the judgment of the Remarketing Agent having due regard to prevailing market conditions for tax-exempt revenue bonds or other tax-exempt securities comparable to the Bonds, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to remarket the Bonds tendered (or deemed to have been tendered) for purchase at a price of par (exclusive of accrued interest, if any) on the Computation Date; provided, however, that the Fixed Rate shall not exceed the maximum rate permitted by applicable law. If for any reason the Remarketing Agent fails to determine the Fixed Rate by the close of business on the fifth Business Day preceding the proposed Conversion Date, the Bonds shall continue to bear interest at the Variable Rate determined in accordance with the Indenture.

The determination of the Variable Rate or the Fixed Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Remarketing Agent and the Bondholders.

In determining the interest rate that the Bonds shall bear as provided herein, neither the Remarketing Agent nor the Trustee shall have any liability to the Issuer, the Borrower, the Trustee or any Bondholder except for its gross negligence or willful misconduct.

Conversion of Interest Rate on Bonds

During the Variable Rate Period, the interest rate on the Bonds, at the option of the Borrower, shall be converted from the Variable Rate to the Fixed Rate, upon delivery by the Borrower to the Trustee, the Remarketing Agent, the Bank and the Issuer:

(a) on any Business Day of any calendar month during the Variable Rate Period, of (i) a notice (the "Conversion Notice") stating that the Borrower intends to convert the interest rate on the Bonds to the Fixed Rate and specifying the proposed Conversion Date, which date shall be at least 45 days after the date on which the Trustee receives the Conversion Notice; (ii) a written commitment from the Bank to amend the Letter of Credit then in effect or another bank to issue an Alternate Letter of Credit (as hereinafter defined), in either case to be effective on the proposed Conversion Date and meeting the requirements of the Loan Agreement; and (iii) an opinion of Bond Counsel stating that under the laws existing on the date of the Conversion Notice, the conversion of the interest rate on the Bonds to the Fixed Rate will not cause the interest on the Bonds to be included in gross income for federal income tax purposes, and

(b) by 10:00 a.m. prevailing time at the Trustee's designated corporate trust office on the Business Day immediately preceding the Conversion Date, of (i) a supplemental opinion of Bond Counsel stating that under the laws existing on such date, (A) the conversion of the interest rate on the Bonds will not cause the interest on the Bonds to be included in gross income for purposes of federal income taxation and (B) the Fixed Rate does not exceed the maximum rate permitted by applicable law; (ii) an amendment to the Letter of Credit then in effect or an Alternate Letter of Credit, in either

case to be effective on the proposed Conversion Date and meeting the requirements of the Loan Agreement; and (iii) a continuing disclosure agreement imposing obligations upon the Borrower, the Trustee or any other responsible party to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, as it may from time to time be amended or supplemented, with respect to the Bonds, which agreement is in form and substance acceptable to the Trustee.

No Conversion Notice may be given if a Mandatory Tender Date (as hereinafter defined) has been established and is existing as described herein.

If (a) the Trustee receives written notification from the Borrower by 10:00 a.m. prevailing time at the Trustee's designated corporate trust office on the Business Day immediately preceding the Conversion Date of the Borrower's decision not to elect the conversion of the interest rate on the Bonds to the Fixed Rate on the proposed Conversion Date, or (b) the Borrower fails to satisfy the conditions of paragraph (b)(i), (ii) and (iii) above by 10:00 a.m. prevailing time at the Trustee's designated corporate trust office on the Business Day immediately preceding the proposed Conversion Date, or (c) the Remarketing Agent fails to determine the Fixed Rate by the close of business on the fifth Business Day preceding the proposed Conversion Date, the interest rate on the Bonds shall not be converted to the Fixed Rate on the proposed Conversion Date. In such event, the Bonds will bear interest for the remaining portion of the current interest rate period at the Variable Rate then in effect, or for an interest rate period at the Variable Rate in effect for the immediately preceding interest rate period, and will continue to remain outstanding in accordance with the terms of the Indenture as if no such election had been made by the Borrower to convert the interest rate borne by the Bonds to the Fixed Rate; provided, however, that the Bonds will continue to be subject to mandatory tender on the proposed Conversion Date as described below under "THE BONDS—Mandatory Tender of Bonds" herein.

The Bonds shall not be subject to mandatory tender or the demand purchase option described below after the Conversion Date.

Mandatory Tender of Bonds

Subject to the provisions described below, the Registered Owner of each Bond will be required to tender such Bond to the Trustee, as tender agent, for purchase on (a) each proposed Conversion Date, and (b) the Business Day which is 2 Business Days prior to the date upon which an Alternate Letter of Credit is to be substituted for the Letter of Credit then in effect during the Variable Rate Period (each a "Mandatory Tender Date").

Notice of a Mandatory Tender Date shall be given by the Trustee by facsimile or registered or certified mail, return receipt requested, to the owners of all Bonds at their addresses appearing on the registration books of the Issuer maintained by the Trustee (the "Bond Register"), not less than 30 nor more than 45 days prior to such Mandatory Tender Date. Any notice given in such manner shall be conclusively presumed to have been duly given, whether or not the owners receive such notice. Such notice will contain certain required information regarding (a) the conversion of the interest rate (including that such conversion will not occur unless the conditions provided in the Indenture and the Loan Agreement are met) or (b) the substitution of the Alternate Letter of Credit, as the case

may be, and the mandatory tender of the Bonds on the Mandatory Tender Date and the characteristics of the Bonds following the Conversion Date, or the substitution date of the Letter of Credit, as the case may be.

All Bonds shall be tendered by the owners thereof to the Trustee, as tender agent, at its designated corporate trust office for purchase at or before 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on a Mandatory Tender Date at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon to such Mandatory Tender Date. Any Bond which is not so tendered but for which there have been irrevocably deposited in the Bond Purchase Fund created under the Indenture certain Eligible Funds (as defined in the Indenture) in an amount sufficient to pay the purchase price thereof and of all other Bonds so tendered and deemed to be tendered for purchase on such Mandatory Tender Date will be deemed to have been tendered for purchase by the owner thereof and purchased from such owner on such Mandatory Tender Date. If a Book-Entry System is in effect, a Beneficial Owner of Bonds shall effect delivery of Bonds on a Mandatory Tender Date by causing its Direct Participant in the Depository to transfer its interest in the Bonds (equal to such Beneficial Owner's interest) on the records of the Depository to the participant account of the Trustee with the Depository and the requirement for physical delivery of Bonds on such Mandatory Tender Date shall be deemed satisfied when the ownership rights in the Bonds are transferred by such Direct Participant on the records of the Depository. On such Mandatory Tender Date the Trustee, as tender agent, shall purchase, or cause to be purchased, all Bonds at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the purchase date.

Demand Purchase Option

Any Bond will be purchased in whole or in part (in Authorized Denominations; provided that after such tender such remaining portion shall also be in any Authorized Denomination) from the owner or Beneficial Owner thereof on any Business Day during the Variable Rate Period, but not thereafter, at a purchase price equal to 100% of the principal amount of the Bond or portion thereof (in Authorized Denominations) to be purchased plus accrued interest thereon, if any, to the date of purchase upon:

(a) Delivery to the Trustee, as tender agent, at its designated corporate trust office on a Business Day at least seven days immediately preceding the proposed purchase date of (i) telephonic notice of tender (which telephonic notice must be confirmed by written notice of tender, which may be by facsimile transmission, received by the Trustee on a Business Day not more than two Business Days after such telephonic notice), or (ii) written notice, which may be by facsimile transmission, of tender to the Trustee (which written notice of tender must be in the form provided in the Indenture or in such other form acceptable to the Trustee). If a Book-Entry System is then in effect, such notice may be given, or caused to be given, by any Beneficial Owner of Bonds (through its Direct Participant in the Book-Entry System) to the Trustee and delivery of Bonds shall be effected by causing such Direct Participant to transfer its interest in the Bonds equal to such Beneficial Owner's interest on the records of the Depository to the participant account of the Trustee with the Depository; and

(b) Delivery to the Trustee, as tender agent, at its designated corporate trust office, at or prior to 10:00 a.m., prevailing time at the Trustee's designated corporate trust office, on the date designated for purchase (the "Purchase Date") in the written notice of tender described in (a) above of such Bond or portion thereof to be purchased, with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer must be in the form provided on such Bond or in such other form acceptable to the Trustee).

Upon the delivery of such written notice of tender described in (a) above, such election of tender shall be irrevocable and binding upon the owner (or Beneficial Owner) thereof and shall obligate such owner (or Beneficial Owner) to tender the Bond or portion thereof described in such notice for purchase on the Purchase Date. Any such Bond which is not so tendered but for which there have been irrevocably deposited in the Bond Purchase Fund Eligible Funds in an amount sufficient to pay the purchase price thereof and of all other Bonds so tendered and deemed to be tendered for purchase on such Purchase Date will be deemed to have been tendered for purchase by the owner thereof and purchased from such owner on such Purchase Date.

Redemption of the Bonds

The Bonds are not subject to redemption prior to maturity except as hereinafter provided.

Optional Redemption. On or prior to the Conversion Date, the Bonds are subject to redemption prior to maturity, at the option of the Borrower, but subject to the receipt by the Trustee of the written consent of the Bank, at any time upon the giving of notice of redemption, in whole or in part in Authorized Denominations, at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date.

After the Conversion Date, the Bonds are subject to redemption prior to maturity, at the option of the Borrower, but subject to the receipt by the Trustee of the written consent of the Bank, in whole at any time or in part in Authorized Denominations on any Interest Payment Date for which notice of redemption can be given pursuant to the Indenture, as hereinafter set forth. If, on the Conversion Date, the Fixed Rate Period is of a length which falls within one of the entries in the Fixed Rate Period column below, the Bonds shall not be subject to redemption for the number of years after the Conversion Date shown in the No-Call Period column below. On and after the Interest Payment Date which ends the no-call period (or the next Interest Payment Date if the no-call period does not end on an Interest Payment Date), the Bonds may be redeemed in whole at any time or in part on any Interest Payment Date in Authorized Denominations at the percentage of their principal amount shown in the Initial Redemption Price column below. The premium shall decline on each anniversary of such Interest Payment Date by one-half of one percentage point until the Bonds are redeemable without premium in the year indicated in the No-Premium column below and for any later years in the Fixed Rate Period.

Fixed Rate Period

i. Equal to B.
but

	or	less than	C.	<u>No-</u>
	<u>greater than</u>		<u>Call Period</u>	
	ii.			
12 years		15 years	6 years	
	iii.	10 years	5 years	
years				
	iv.	8 years	3 years	
years				

If the Fixed Rate Period is greater than two years but less than eight years, the Bonds shall be redeemable at 100% of their principal amount in the final year, 100-1/2% during the next-to-last year, and nonredeemable prior to that. If the Fixed Rate Period is equal to or less than two years, the Bonds shall be redeemable in the final year only at 100% of their principal amount.

The premiums described in Section 217(a) of the Indenture may be revised to those set forth in a written notice of the Underwriter delivered to the Issuer, the Borrower and the Trustee prior to the Conversion Date if in the opinion of the Underwriter such revisions more accurately reflect then current market conditions. Such notice shall be accompanied by an opinion of Bond Counsel to the effect that such revisions would not adversely affect the validity of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes under the Code.

Mandatory Redemption. The Bonds shall be called for redemption in the event (a) insurance or condemnation proceeds are deposited in the Bond Fund pursuant to Article VII of the Loan Agreement or (b) of a Determination of Taxability (as hereinafter defined). If called for redemption pursuant to (a) above, the Bonds shall be subject to redemption to the extent of such insurance or condemnation proceeds deposited in the Bond Fund at any time upon the giving of such notice of redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. If called pursuant to (b) above, the Bonds shall be subject to redemption on the earliest practicable date for which notice can be given at a redemption price equal to 100% of the aggregate principal amount of Bonds outstanding plus accrued interest to the redemption date.

As used herein, the term “Determination of Taxability” means a determination that the interest income on any of the Bonds is included in gross income for federal income tax purposes, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

- (a) the day on which the Borrower is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, based upon any filings of the Borrower, or upon any review or audit of the Borrower, or upon any other grounds whatsoever, the interest on the Bonds is includable for federal income tax purposes in the gross income of any current or former owner or beneficial owner thereof;

(b) the day on which the Borrower receives notice from the Trustee in writing that the Trustee has been advised in writing by any current or former owner or beneficial owner of a Bond that the Internal Revenue Service has issued a statutory notice of deficiency or similar notice to such current or former owner or beneficial owner which asserts in effect that the interest on the Bonds received by such current or former owner or beneficial owner is includable in the gross income of such current or former owner or beneficial owner;

(c) the day on which the Borrower is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service that the interest on the Bonds is includable for federal income tax purposes in the gross income of any current or former owner or beneficial owner of a Bond;

(d) the day on which the Borrower is advised in writing that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the Borrower has been given written notice and an opportunity to participate and defend that the interest on the Bonds is includable in the gross income of any current or former owner or beneficial owner of a Bond; or

(e) the date specified in a written opinion to the Borrower from Bond Counsel (as defined in the Indenture) as the day on which interest on the Bonds first became or will become includable in the gross income of any current or former owner or beneficial owner of a Bond;

provided, however, no Determination of Taxability shall occur under subparagraph (a), (b) or (c) of this definition unless the Borrower has been afforded the opportunity, at its expense, to contest any such conclusion and/or assessment after furnishing the Trustee, the Issuer and the Bank, within 30 days after the occurrence of an event described in subparagraph (a), (b) or (c) of this definition, with an opinion of Bond Counsel to the effect that there is a reasonable likelihood that the Borrower will prevail in such contest and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined. The Borrower shall promptly notify the Trustee and the Issuer of any event described in subparagraph (a), (c), (d) or (e) of this definition and shall further promptly notify the Trustee and the Issuer of any final determination if the Borrower has contested under subparagraph (a), (b) or (c) of this definition. The Borrower shall be deemed to have been afforded the opportunity to contest the occurrence of a Determination of Taxability if it shall have been permitted to commence and maintain any action in the name of any current or former owner or beneficial owner of a Bond to judgment and through any appeals therefrom or other proceedings related thereto.

Special Mandatory Redemption Upon Expiration of Letter of Credit. In the event that, at least 60 days prior to the expiration date of the Letter of Credit then in effect, the Trustee has not been provided with an extension of such Letter of Credit or an Alternate Letter of Credit for a period of not less than one year ending on a May 15 (unless the Bonds are being or have been converted to the Fixed Rate, in which case such extension

of the Letter of Credit or the Alternate Letter of Credit shall be for a period of at least 5 years after the Conversion Date or the remaining term of the Bonds, whichever is less), then the Bonds will be called for special mandatory redemption on the interest payment date next preceding the expiration date of the then existing Letter of Credit at a redemption price determined as follows: (a) during the Variable Rate Period, the redemption price shall be 100% of the principal amount thereof plus accrued interest to the redemption date; and (b) during the Fixed Rate Period, the redemption price shall be the lesser of (i) 102% of the principal amount thereof plus accrued interest to the redemption date, or (ii) the redemption price which would apply as of the redemption date if the Bonds were optionally redeemed pursuant to the Indenture.

During the Variable Rate Period, the Borrower shall have the right to purchase in lieu of redemption all or a portion of the Bonds to be redeemed pursuant to the preceding paragraph by delivering to the Trustee on or prior to the redemption date (a) (i) an Alternate Letter of Credit and all opinions as required by the Loan Agreement or (ii) an extension of the Letter of Credit then in effect for the applicable period required by the Loan Agreement, and (b) a written notice specifying the principal amount of Bonds to be so purchased. As and when Bonds to be so purchased by the Borrower are delivered to the Trustee, the Trustee shall pay the purchase price for such Bonds (which shall be equal to the scheduled redemption price) from moneys drawn under the Letter of Credit and shall hold such Bonds as Pledged Bonds until such time as such Bonds are remarketed by the Remarketing Agent pursuant to the Indenture; provided that if such funds are on deposit with the Trustee to pay the purchase price of such Bonds on the date fixed for redemption, Bonds to be so purchased by the Borrower which are not delivered to the Trustee on such date shall nonetheless be deemed to have been tendered for purchase of and to have been purchased by the Borrower, which shall thereafter be the owner of such Bonds for all purposes. Bonds so purchased by the Borrower shall not be cancelled on the scheduled redemption date but shall be treated as if tendered for purchase pursuant to the Indenture.

Partial Redemption. If less than all the outstanding Bonds are called for redemption, the Trustee shall select, or arrange for the selection of, the Bonds to be redeemed by lot, in such manner as it shall in its discretion determine; provided that any such Bonds selected for redemption shall be in Authorized Denominations. Notwithstanding the foregoing, Bonds which are pledged to the Bank pursuant to the Reimbursement Agreement (the “Pledged Bonds”) and Bonds (others than Pledged Bonds) owned or held by the Borrower (or any affiliate of the Borrower) and registered in the name of the Borrower (or any affiliate of the Borrower) or in the name of a nominee designated by the Borrower (or any affiliate of the Borrower) (“Borrower Bonds”), in that order, shall be first selected by the Trustee for redemption before any other Bonds are selected for redemption. If less than the principal amount of a Bond is called for redemption, the Issuer shall execute and the Trustee shall authenticate and deliver, upon surrender of such Bond, without charge to the holder thereof, in exchange for the unredeemed principal amount of such Bond, at the option of such holder, Bonds in any of the Authorized Denominations.

Notice of Redemption. Upon receipt by the Trustee of a written direction from the Borrower stating that it intends to exercise its option to prepay the payments due

under the Loan Agreement and thereby effect redemption of Bonds, which notice shall be delivered to the Trustee at least 45 days prior to the date on which the Bonds shall be redeemed (except for sinking fund redemptions, a mandatory redemption upon a Determination of Taxability or a special mandatory redemption upon expiration of the Letter of Credit, which shall not require any such notice to the Trustee), notice of redemption shall be mailed by the Trustee by first class mail, at least 30 days but not more than 45 days before the redemption date to the registered owner of each Bond to be redeemed in whole or in part at its last address appearing on the Bond Register and each Rating Agency (as hereinafter defined), if the Bonds are then rated; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond, or portion thereof with respect to which no such failure or defect has occurred. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Bondholder receives the notice. Additional notices of redemption may be given in accordance with the Indenture. All Bonds so called for redemption will cease to bear interest on the specified date set for redemption, provided moneys constituting a draw under the Letter of Credit for their redemption have been duly deposited with the Trustee pursuant to the Indenture and, thereafter, the holders of such Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Trustee and, in the case of a partial redemption, a new Bond for any portion not redeemed.

SECTION 50. THE LETTER OF CREDIT

General

The following is a summary of certain provisions of the Letter of Credit and reference is made to it for a complete recital of the terms thereof.

The Letter of Credit will be an irrevocable obligation of the Bank to pay to the Trustee, upon request and in accordance with the terms thereof, an amount sufficient to pay (i) the principal of the Bonds or the portion of the purchase price corresponding to the principal of the Bonds and (ii) up to 45 days' accrued interest (at a maximum rate of 10% per annum) on the Bonds or the portion of the purchase price corresponding to interest accrued on the Bonds. The Letter of Credit shall terminate no earlier than the earliest of (i) the payment in full by the Bank of funds authorized to be drawn thereunder, (ii) the surrender of the Letter of Credit by the Trustee to the Bank for cancellation as a result of (A) the payment in full of the Bonds pursuant to the provisions of the Indenture, or (B) the acceptance by the Trustee of an Alternate Letter of Credit, as certified by the Trustee to the Bank, (iii) November 15, 2012, (iv) the Business Day following the Conversion Date, or (v) the fifteenth calendar day following delivery to the Trustee of a direction by the Bank under the Indenture to declare the Bonds due and payable which has not been rescinded.

Unless extended, the termination date of the Letter of Credit will be no later than November 15, 2012 (the "Expiration Date"). The Reimbursement Agreement provides that the Expiration Date may be extended in the sole discretion of the Bank upon the written request of the Borrower. The Bank will give the Trustee notice of the Bank's

decision to extend or not to extend the Letter of Credit at least ninety (90) days prior to the Expiration Date.

On or prior to the termination date of the Letter of Credit, the Letter of Credit entitles, and the Indenture requires, the Trustee to draw upon the Letter of Credit in accordance with the terms thereof to make timely payments of interest or principal (whether upon redemption, acceleration or otherwise) when due on the Bonds, in an amount sufficient to make such payment to the extent Eligible Funds are not otherwise available therefor under the Indenture, and (2) on the second Business Day preceding any date on which Bonds are to be purchased, in an amount sufficient to purchase such Bonds to the extent Eligible Funds are not otherwise available therefor, including, without limitation, funds available from the remarketing of such Bonds by the Remarketing Agent. Notwithstanding the foregoing, in no event shall the Trustee draw under the Letter of Credit or apply proceeds of any draw under the Letter of Credit to pay the principal of or interest on Pledged Bonds.

The obligation of the Bank under the Letter of Credit with respect to the Bonds will be reduced to the extent of any drawing thereunder. The amount available to be drawn under the Letter of Credit with respect to the Bonds will also be reduced by the amount by which Bonds have been paid or redeemed by funds other than those obtained under the Letter of Credit. The amount available to be drawn under the Letter of Credit with respect to the purchase price of the Bonds which has previously been reduced as a consequence of a drawing to purchase tendered Bonds will be reinstated upon notification from the Trustee to the Bank that the Trustee holds remarketing proceeds for such Bonds in an amount required to reimburse the Bank. With respect to a drawing by the Trustee to pay interest on the Bonds, unless the Trustee shall have received notice from the Bank no later than the 5th calendar day after the drawing that the amount available to be drawn for interest under the Letter of Credit will not be reinstated, the Letter of Credit will, at the close of business on such fifth day, be automatically reinstated in an amount equal to such interest drawing.

Upon an acceleration of the maturity of the Bonds, the Trustee will be entitled to draw on the Letter of Credit to the extent of the aggregate principal amount of such Bonds then outstanding plus accrued interest to the date of such acceleration.

Alternate Letter of Credit - Variable Rate Period

The Loan Agreement provides that the Borrower may, at any time, at its option, so long as it has not delivered a Conversion Notice as provided under “THE BONDS— Conversion of Interest Rate on Bonds” herein, provide for the delivery to the Trustee of (a) a renewal, reissuance or extension of the then existing Letter of Credit which shall be for a period of at least one year and expire on a May 15 or (b) an irrevocable letter of credit other than the Letter of Credit issued by a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or a branch or agency of a foreign commercial bank located in the United States that is subject to regulation by state or federal banking regulatory authorities (the “Alternate Letter of Credit”). The Alternate Letter of Credit shall have the same terms as, and shall be in substantially the same the form of, the initial Letter of Credit, except that the Alternate Letter of Credit shall be for

a period of at least one year and shall expire on a May 15; provided, however, that on or before the date of such delivery of an Alternate Letter of Credit to the Trustee and as a condition of acceptance of any Alternate Letter of Credit by the Trustee, the Borrower shall furnish to the Trustee: (a) an opinion of Bond Counsel stating to the effect that the delivery of such Alternate Letter of Credit is authorized under and complies with the terms of the Loan Agreement and that the delivery of the Alternate Letter of Credit will not in and of itself result in the loss of the exclusion of the interest on the Bonds from gross income for federal income tax purposes; (b) an opinion of counsel stating to the effect that (i) the Alternate Letter of Credit is a binding and enforceable obligation of its issuer (except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and the availability of equitable remedies, including specific performance and injunctive relief), (ii) payments thereunder will not constitute a voidable preference under the United States Bankruptcy Code in the event of a filing of a petition in bankruptcy by or against the Borrower or the Issuer and (iii) the issuer is a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or is a branch of a foreign commercial bank located and doing business in the United States and subject to regulation by state or federal banking regulatory authorities; and (c) written evidence from each Rating Agency, if the Bonds are then rated, to the effect that each Rating Agency has reviewed the proposed Alternate Letter of Credit and that the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in withdrawal of its rating of the Bonds or reduction from the rating which then exists as to the Bonds.

Fixed Rate Period

On the Business Day immediately preceding the Conversion Date, the Borrower shall cause to be delivered to the Trustee: (a) an amendment to the Letter of Credit then in effect or an Alternate Letter of Credit, which Letter of Credit as amended or Alternate Letter of Credit (i) shall have the same terms as, and shall be in substantially the form of, the original Letter of Credit, except that it shall provide for the payment of the outstanding principal, any redemption premium and up to 210 days' interest (based upon a 360-day year) payable with respect to the Bonds after the Conversion Date and except that it need not have any provisions relating to a Liquidity Drawing (as defined in the Indenture), (ii) shall be effective on the Conversion Date, (iii) shall be for a period of at least five years after the Conversion Date or the remaining term of the Bonds, whichever is less, and (iv) shall expire on a May 15; (b) an opinion of Bond Counsel stating to the effect that the delivery of the amendment to the Letter of Credit then in effect or Alternate Letter of Credit, as the case may be, is authorized under and complies with the Loan Agreement and that the delivery of an amendment to the Letter of Credit or Alternative Letter of Credit will not result in the loss of the exclusion of the interest on the Bonds from gross income for federal income tax purposes; (c) an opinion of counsel stating to the effect that (i) the Letter of Credit as amended or the Alternate Letter of Credit, as the case may be, is a binding and enforceable obligation of the issuer thereof (except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and the availability of equitable remedies, including specific performance and injunctive relief), (ii) payments

thereunder will not constitute a voidable preference under the United States Bankruptcy Code in the event of a filing of a petition in bankruptcy by or against the Borrower or the Issuer, and (iii) the issuer thereof is a commercial bank, federal savings bank or savings and loan association organized under the laws of the United States or any state of the United States or the District of Columbia or is a branch or agency of a foreign commercial bank located and doing business in the United States and subject to regulation by state or federal banking regulatory authorities; and (d) written evidence from each Rating Agency, if the Bonds are then rated, to the effect that each Rating Agency has reviewed the proposed amendment to the Letter of Credit then in effect or the Alternate Letter of Credit and that the amendment to the Letter of Credit then in effect or the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in withdrawal of its rating of the Bonds or reduction from the rating which then exists as to the Bonds.

The Borrower shall have the right (but is not obligated) after the Conversion Date to arrange for the renewal, reissuance or extension of the Letter of Credit then in effect. Any renewal, reissuance or extension shall be for a period of at least five years or the remaining term of the Bonds, whichever is less, and shall expire on a May 15.

At any time after the Conversion Date upon at least 45 days prior written notice to the Trustee, the Borrower may, at its option, provide for delivery of an Alternate Letter of Credit which shall be effective on the date such Alternate Letter of Credit is accepted by the Trustee in accordance herewith. Any Alternate Letter of Credit shall be issued by a commercial bank, federal savings bank or savings and loan association acceptable to the Issuer organized under the laws of the United States or any state of the United States or the District of Columbia or a branch or agency of a foreign commercial bank located in the United States that is subject to regulation by state or federal banking regulatory authorities. The Alternative Letter of Credit shall have the same terms as, and shall be in substantially the form of, the amended Letter of Credit or Alternate Letter of Credit, as the case may be, delivered pursuant to the first paragraph under “THE LETTER OF CREDIT—Fixed Rate Period” herein and such Alternate Letter of Credit shall be for a period of at least five years or the remaining term of the Bonds, whichever is less, and shall expire on a May 15. On or before the date of delivery of any Alternate Letter of Credit to the Trustee, as a condition of acceptance of any Alternate Letter of Credit by the Trustee, the Borrower shall furnish to the Trustee: (a) an opinion of Bond Counsel stating to the effect that the delivery of such Alternate Letter of Credit is authorized under and complies with the Loan Agreement and that the delivery of the Alternative Letter of Credit will not result in the loss of the exclusion of the interest on the Bonds from gross income for federal income tax purposes; (b) an opinion of counsel stating to the effect that (i) the Alternate Letter of Credit is a binding and enforceable obligation of the issuer thereof (except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors’ rights generally and the availability of equitable remedies, including specific performance and injunctive relief), (ii) payments thereunder will not constitute a voidable preference under the United States Bankruptcy Code in the event of a filing of a petition in bankruptcy by or against the Borrower or the Issuer, and (iii) the issuer thereof is a commercial bank, federal savings bank or savings and loan association organized and doing business in the United States or is a branch or agency of a foreign commercial bank located and doing business in the

United States and subject to regulation by state or federal banking regulatory authorities; and (c) written evidence from the Rating Agency, if the Bonds are then rated, to the effect that such Rating Agency has reviewed the proposed amendment to the Letter of Credit then in effect or the Alternate Letter of Credit and that the amendment to the Letter of Credit then in effect or the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in withdrawal of its rating of the Bonds or reduction from the rating which then exists as to the Bonds.

“Rating Agency” means Moody’s Investors Service (“Moody’s”) or Standard & Poor’s Credit Market Services, a Division of The McGraw Hill Companies, Inc. (“S&P”), or their successors and assigns, and, if both such corporations shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Rating Agency” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower with the approval of the Remarketing Agent, by notice to the Issuer, the Bank, the Trustee and the Remarketing Agent.

SECTION 51. THE REIMBURSEMENT AGREEMENT

The following is a summary of certain provisions of the Reimbursement Agreement, to which document in its entirety reference is made for the detailed provisions thereof. A Default under the Reimbursement Agreement could, at the option of the Bank, be a Default under the Indenture.

Reimbursement by the Borrower

The Borrower agrees to reimburse the Bank for all amounts that are drawn by the Trustee under the Letter of Credit, together with interest on all such amounts in accordance with the provisions of the Reimbursement Agreement. In addition, under the Reimbursement Agreement the Borrower has agreed to pay all accrued and unpaid fees and other obligations thereunder and all other obligations of Borrower to the Bank of every type and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising whether or not contemplated by Borrower or Bank as of the date of issuance of the Bonds arising in connection with the Letter of Credit and any other credit facilities provided by the Bank to the Borrower under the Reimbursement Agreement, and all reasonable costs of collection and enforcement of any and all thereof, including reasonable attorney fees (collectively hereinafter referred to as the “Obligations”).

Fees, Commissions and Expenses

Pursuant to the Reimbursement Agreement, the Borrower agrees to pay to the Bank certain fees on or before the Closing Date, an annual fee based on the amount available to be drawn under the Letter of Credit, and all expenses incurred in maintaining the Letter of Credit and in enforcing the Bank’s rights under the Reimbursement Agreement.

Certain Affirmative and Negative Covenants

The Borrower covenants in the Reimbursement Agreement, among other things, to maintain its existence; to comply with all applicable laws and pay taxes; to maintain adequate insurance; to keep proper books and records; to permit the Bank to examine such books and records; to submit to the Bank certain financial and other reports and information; to comply with certain financial covenants; and to not do certain things or permit certain conditions to exist with respect to Borrower without the written consent of the Bank.

These covenants are solely for the benefit of the Bank. The Bank may waive any such covenants or certain other provisions of the Reimbursement Agreement and may agree with the Borrower to amend certain covenants or provisions. The Bondholders will have no rights or obligations as a result of the covenants or provisions of any amendments or waivers thereof.

Events of Default

The occurrence of certain events constitutes a Default (unless waived by the Bank or unless cured within applicable time periods set forth in the Reimbursement Agreement) under the Reimbursement Agreement.

Written notice delivered to the Trustee by the Bank to declare the principal of all Bonds outstanding and accrued interest due and owing arising out of the occurrence and continuance of a Default under the Reimbursement Agreement constitutes a Default under the Indenture. (See “THE INDENTURE—Defaults and Remedies” herein.)

A DEFAULT UNDER THE REIMBURSEMENT AGREEMENT, INCLUDING A DEFAULT WITH RESPECT TO THE FINANCIAL COVENANTS OF THE BORROWER (WHICH ARE NOT DESCRIBED HEREIN), COULD RESULT IN THE ACCELERATION OF PRINCIPAL AND INTEREST ON THE BONDS AND THE EXERCISE OF ALL AVAILABLE REMEDIES UNDER THE INDENTURE.

Security for Reimbursement Agreement

As security for the Borrower’s Obligations under the Reimbursement Agreement, the Borrower will execute in favor of the Bank certain documents governing and granting a lien on and security interest in certain real property (including all fixtures) and personal property of the Borrower. (hereinafter referred to as the “Loan Documents”). Such Loan Documents will be executed solely for the benefit of the Bank and neither the Issuer, the Trustee nor the holders of the Bonds will have any rights or security thereunder. The liens granted by the Borrower may also secure other obligations of the Borrower to the Bank or affiliates of the Bank.

Pursuant to the Reimbursement Agreement, the Bank and the Borrower have agreed that the Trustee shall hold, as agent for the Bank, any Bonds not remarketed by the Remarketing Agent and paid for with a draw on the Letter of Credit. Such Bonds (or their beneficial ownership interests) will be pledged to the Bank to secure repayment of moneys thus paid by the Bank. Upon receipt of moneys sufficient to pay in full the

amount of such Letter of Credit payment, the Pledged Bonds shall be released and the Letter of Credit shall be reinstated as therein provided.

SECTION 52. THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement, to which document in its entirety reference is made for the detailed provisions thereof.

General

Under the Loan Agreement, the Issuer agrees to issue, sell and deliver the Bonds pursuant to the Indenture, subject to specified conditions and shall cause the proceeds of the sale of the Bonds to be deposited with the Trustee and applied as contemplated by the Indenture.

Payment Obligations of the Borrower

The Borrower will pay to the Trustee as assignee of the Issuer on or before any interest payment date for the Bonds or any other date that any payment of interest, premium, if any, purchase price, or principal is required to be made until such time as the Bonds shall have been fully paid or provision made for such payment as described under the caption “THE INDENTURE—Discharge of Lien” in immediately available funds, a sum which together with any Eligible Funds (as defined in the Indenture) held by the Trustee, will be in an amount sufficient to pay principal or purchase price of, premium, if any, and interest on the Bonds, whether at maturity, upon redemption or purchase or otherwise coming due on the Bonds; provided, however, such obligation will be deemed satisfied to the extent of corresponding draws under the Letter of Credit. The Borrower must deliver the initial Letter of Credit to the Trustee, and the Trustee is authorized to draw upon the Letter of Credit as described above.

Administrative Expenses

The Borrower must pay the Trustee’s reasonable fees and charges under the Indenture and the reasonable fees and charges of the Remarketing Agent, the Bank and the Issuer.

Maintenance, Repair and Modification

The Borrower will at its own expense keep the Project in good repair and good operating condition, making from time to time all necessary repairs thereto and renewals and replacements thereof. The Borrower may, from time to time and at its own expense, make any modifications or improvements to the Project as it may deem desirable, provided that such modifications or improvements do not (a) materially and adversely affect the scope, character, value or operation of the Project without the prior written consent of the Bank, (b) impair the exclusion of interest on the Bonds from gross income for federal income tax purposes or (c) contravene the provisions of the Act.

Taxes and Other Charges and Insurance

The Borrower, subject to its right to contest such taxes or charges as provided in the Reimbursement Agreement, will pay before any interest, collection fees or penalties shall accrue, all taxes, assessments and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against the Project and all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

The Borrower will continuously insure the Project against such risks and in such amounts with respect to the Project as are customarily insured against by businesses of like size and type, as specifically provided in the Loan Agreement.

Damage, Destruction and Condemnation

In the event the Project is damaged or destroyed or taken in condemnation or by eminent domain, the Borrower shall promptly give written notice thereof to the Issuer, the Bank and the Trustee. The net proceeds of the title insurance and casualty and property insurance carried with respect to the Project or the net proceeds resulting from condemnation or eminent domain proceedings shall be paid to the Bank and subject to the provisions of the Loan Agreement. As soon as practicable, the Bank shall notify the Trustee whether such insurance or condemnation proceeds will be permitted to be used to restore the Project as provided in the Loan Agreement or used to prepay the Loan and cause the Bonds to be paid or redeemed to the extent of the available insurance or condemnation proceeds. If the Bank allows such proceeds, or any part thereof, to be used to restore the Project, the Trustee shall deposit the net insurance or condemnation proceeds it receives from the Bank in the Construction Fund, which shall be reactivated, or if the Bank elects to cause the Loan to be prepaid to the extent of such net proceeds, such insurance or condemnation proceeds shall be deposited in the Bond Fund and be used to reimburse the Bank for a draw under the Letter of Credit in connection with the redemption of Bonds as provided in the Indenture.

Assignment and Leasing

The Borrower shall not assign or transfer its rights or obligations under the Loan Agreement, or lease any portion of the Project, other than in the ordinary course of business without the prior written consent of the Bank and the delivery of specified evidence of the Borrower's compliance with the terms of the Loan Agreement.

Special Covenants

The obligation of the Borrower to make loan repayments and to perform and observe its other covenants and agreements contained in the Loan Agreement and the Promissory Note will be absolute and unconditional until such time as the principal of, premium, if any, and interest on all outstanding Bonds shall have been fully paid or provided for in accordance with the Indenture and shall not be subject to any defense or right of set-off, counterclaim or recoupment against the Issuer, the Trustee or any other person.

The Borrower will not take, nor permit to be taken on its behalf, any action which would impair the exclusion of interest on the Bonds from gross income for federal income tax purposes and will take such reasonable action as may be necessary to maintain the exclusion during the term of the Loan Agreement.

Defaults and Remedies

Each of the following is an “Event of Default” under the Loan Agreement:

(a) Failure by the Borrower to pay the loan repayments in the amounts and at the times provided in the Loan Agreement or the Promissory Note; provided, however, that no Event of Default described in this subparagraph (a) shall be deemed to have occurred solely by reason of such failure to make such payments if and to the extent that payments have nonetheless been made by the Bank to the Trustee pursuant to the Letter of Credit for deposit in the Bond Fund at such times and in such manner so as to prevent an event of default described under clause (a) or (b) under the heading “THE INDENTURE—Defaults and Remedies” herein;

(b) Failure by the Borrower to make payments in the amounts and at the times provided in the Loan Agreement so to enable the Trustee to pay the purchase price of all Bonds to be purchased on each Optional Tender Date, the Conversion Date, and each Mandatory Purchase Date; provided, however, that no Event of Default described in this subparagraph (b) shall be deemed to have occurred solely by reason of such failure to make such payments if and to the extent that payments have nonetheless been made by the Bank to the Trustee pursuant to the Letter of Credit for deposit in the Bond Purchase Fund at such times and in such manner so as to prevent an event of default described under clause (c) under the heading “THE INDENTURE—Defaults and Remedies” herein;

(c) Failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed in the Loan Agreement or the Promissory Note for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Issuer, the Bank or the Trustee; provided, however, that if the failure is such that it can be corrected but not within such 30-day period, and corrective action is instituted by the Borrower within such period and diligently pursued until such failure is corrected, then such period shall be increased to such extent as shall be determined by the Trustee with the consent of the Bank to be necessary to enable the Borrower to observe or perform such covenant, condition, undertaking or agreement through the exercise of due diligence;

(d) Any representation or warranty made by the Borrower in any document delivered by the Borrower to the Trustee or the Bank or the Issuer in connection with the sale and delivery of the Bonds proves to be untrue when made in any material respect;

(e) Occurrence of an Event of Default under the Indenture; or

(f) The Borrower (i) shall generally not pay its debts as they become due, (ii) shall admit in writing its inability to pay its debts generally, (iii) shall make a general assignment for the benefit of creditors, (iv) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation,

winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (v) shall take any action to authorize any of the actions described above in this subparagraph (f), or (vi) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Borrower in good faith, such proceeding shall remain undismissed or unstayed for a period of 60 days.

Whenever any such Event of Default shall have occurred and be continuing, and if acceleration of the maturity of the Bonds has been declared under the Indenture:

(a) The Trustee shall declare all Loan Repayments to be immediately due and payable, whereupon the same shall become immediately due and payable and the Trustee shall thereupon draw upon the Letter of Credit in accordance with its terms and the terms of the Indenture;

(b) Subject to the reasonable security and safety requirements of the Borrower, the Issuer or the Trustee may have access to and inspect, examine, and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower, only insofar as they relate to the Project or the Event of Default and the remedying thereof; and

(c) To the extent of any insufficiency after drawing under the Letter of Credit, the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Loan Agreement, the Promissory Note or to enforce the performance of any other obligation or agreement of the Borrower under such documents.

No remedy in the Loan Agreement 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 will be cumulative and will be in addition to every other remedy given under the Loan Agreement or the Indenture or then or thereafter existing at law or in equity or by statute.

Amendments to Loan Agreement

The Issuer and the Borrower may, with the consent of the Bank and the Trustee but without the consent of the Bondholders, amend, change or modify the Loan Agreement as may be required; (a) to cure any ambiguity or formal defect or omission which shall not adversely affect the interests of the Bondholders; (b) to grant or pledge to the Issuer or the Trustee for the benefit of the Bondholders or the Bank, any additional security; or (c) in connection with any other change therein which, in the judgment of the Trustee acting in reliance upon an opinion of counsel, is not to the prejudice of the Trustee or the Bondholders.

Except for amendments permitted in the preceding paragraph, the Loan Agreement cannot be amended or modified without the consent of the Bank and the consent of the holders of not less than a majority in the aggregate principal amount of the Bonds then outstanding, such consent to be obtained in accordance with the Indenture.

SECTION 53. THE INDENTURE

The following is a summary of certain provisions of the Indenture, to which document in its entirety reference is made for the detailed provisions thereof.

Assignment and Security

Pursuant to the Indenture, the Issuer's interest in the Security is pledged and assigned to the Trustee by the Issuer to secure payment of the principal of, premium, if any, and interest on the Bonds and the purchase price of the Bonds.

Bond Fund

The Indenture establishes a Bond Fund, which will be held by the Trustee. The Trustee will deposit in the Bond Fund (a) any accrued interest received on the sale of the Bonds; (b) all Loan Repayments under the Loan Agreement, including all proceeds resulting from the enforcement of the Security or its realization as collateral; (c) insurance and condemnation proceeds as and to the extent provided in the Loan Agreement; (d) all moneys received by the Trustee under the Loan Agreement for deposit in the Bond Fund; (e) all moneys drawn under the Letter of Credit to pay principal of, premium, if any, or interest on the Bonds (which shall be deposited in the Letter of Credit Account created within the Bond Fund and not commingled with any other moneys in the Bond Fund); and (f) any other moneys received by the Trustee with directions for deposit in the Bond Fund.

Except as otherwise described in the next succeeding sentence, the Bond Fund will be used first solely for the payment of the interest on the Bonds and for the payment of principal of and premium, if any, on the Bonds upon maturity or prior redemption and then, to the extent of any moneys remaining on deposit therein, for the payment of any amounts owed by the Borrower to the Issuer and then to the Bank pursuant to the Borrower's reimbursement obligations under the Reimbursement Agreement; provided, however, that any amounts transferred from the Construction Fund to the Bond Fund may only be used in accordance with the provisions of the Loan Agreement. Moneys in the Bond Fund shall also be used to reimburse the Bank for any amounts due under the Reimbursement Agreement resulting from a drawing under the Letter of Credit to pay principal of, premium, if any and interest due on the Bonds.

Pursuant to the Indenture, the Trustee is directed to withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, only in the following order of payment:

(a) Amounts realized by the Trustee under the Letter of Credit for principal, premium, if provided, and interest on the Bonds.

(b) Eligible Funds on deposit in the Bond Fund, other than amounts realized by the Trustee under the Letter of Credit.

(c) Any other amounts (whether or not Eligible Funds) in the Bond Fund, including amounts received by the Trustee pursuant to the Loan Agreement.

On the Business Day preceding the day on which any principal and/or interest shall become due on the Bonds (whether upon any Interest Payment Date, at maturity, upon the date fixed for redemption or upon maturity or acceleration of the Bonds), the Trustee shall, without making any prior claim or demand upon the Borrower, take actions under and in accordance with the Letter of Credit so as to receive moneys on such date thereunder in an amount equal to the amount of principal and interest (and premium, but only if so provided for under the Letter of Credit) coming due on the Bonds on the date such payment is due.

Construction Fund

The net proceeds of the issuance and delivery of the Bonds shall be deposited in the Construction Fund. Pursuant to the Loan Agreement and the Indenture, the Trustee is authorized to make each disbursement from the Construction Fund upon receipt of a requisition from the Borrower (subject to the Bank's written consent) to pay for the retirement and discharge of certain prior indebtedness. Such requisitions shall comply with the requirements of the Loan Agreement. The Trustee shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom.

Bond Purchase Fund

The Indenture establishes a Bond Purchase Fund, which will be held by the Trustee. There shall be deposited into the Bond Purchase Fund, as and when received, (a) the proceeds of the remarketing of Bonds by the Remarketing Agent pursuant to the Indenture; (b) all moneys realized by the Trustee under the Letter of Credit for the purpose of paying the purchase price of Bonds tendered or deemed tendered to the Trustee for purchase; (c) all payments made by the Borrower under the Loan Agreement to enable the Trustee to pay the purchase price of Bonds tendered or deemed tendered to the Trustee for purchase; and (d) all other moneys received by the Trustee under and pursuant to any of the provisions of the Indenture, the Loan Agreement, or otherwise which are required or which are accompanied by directions that such moneys are to be paid into the Bond Purchase Fund. Moneys in the Bond Purchase Fund shall be used solely for the payment of the purchase price of Bonds tendered or deemed tendered for purchase on any purchase date pursuant to the Indenture or to reimburse the Bank for any amounts due under the Reimbursement Agreement resulting from a drawing under the Letter of Credit to pay the purchase price of tendered Bonds.

On each purchase date, the Trustee shall pay the purchase price of Bonds tendered for purchase from moneys on deposit in the Bond Purchase Fund from funds derived from the following sources in the order of priority indicated:

(a) proceeds of the remarketing of such Bonds to any person other than the Borrower, the Issuer or any insider of the Borrower or the Issuer;

(b) moneys realized under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase; and

(c) payments made by the Borrower pursuant to Section 3.4 of the Loan Agreement and other moneys deposited in the Bond Purchase Fund in accordance with the provisions of the Indenture.

Investment of Funds

Any moneys held as a part of any Fund may be invested or reinvested by the Trustee, at the request of the Borrower, in any one or more of the following "Permitted Investments" provided that any such investment is not prohibited by law:

(a) Government Obligations, being obligations of the United States, its agencies, or United States government sponsored enterprises, or obligations the payment of principal and interest on which is unconditionally guaranteed by the United States or its agencies.

(b) Commercial paper issued by corporations that are organized and operating within the United States of America and that are rated by Moody's or S&P (i) "A-2" or "P-2" or higher if such commercial paper has a maturity of seven days or less, and (ii) "A-1" or "P-1" of such commercial paper has a maturity of greater than seven days;

(c) Negotiable certificate of deposit issued by or deposit accounts with a nationally or state-chartered bank, including the Trustee or any affiliate thereof, or by a state-licensed branch of a foreign bank, provided that the senior debt issued by such bank and/or its holding company shall be rated "Aa/AA" by Moody's and S&P, respectively, and the commercial paper issued by such holding company or branch of a foreign bank shall be rated "P-1" and "A-1" by Moody's and S&P, respectively;

(d) Bonds, notes or other obligations of any state, municipality or political subdivision, the interest on which is excludable from gross income for federal income tax purposes, which are rated "AA" or higher by Moody's or S&P;

(e) Repurchase agreements with any bank, trust company or national banking association insured by the Federal Deposit Insurance Corporation, or with any government bond dealer recognized as a primary dealer by the Federal Reserve Bank of New York, which agreements are fully and continuously secured by a valid and perfected security interest in obligations described in paragraph (a) of this definition or obligations which are rated "Aaa" by Moody's or "AAA" by S&P; and

(f) Investments in or shares of any "regulated investment company" within the meaning of Section 851(a) of the Code, the assets of which are securities or investments described in (a) through (e) above, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services;

(g) Both (A) Money market funds invested solely in Government Obligations described in paragraph (a) of this definition, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services, and (B) shares of money market mutual funds (including any money market fund for which the

Trustee or any affiliate of the Trustee provides service for a fee) that invest only in Government Obligations described in paragraph (a) of this definition and repurchase agreements secured by such obligations.

Notwithstanding the foregoing, any moneys from a drawing under the Letter of Credit shall remain uninvested and any other moneys held by the Trustee in the Bond Fund or the Bond Purchase Fund may only be invested in the government obligations described in (a) above or in funds comprised solely of (i) such government obligations and (ii) repurchase agreements secured by such government obligations. All investments of moneys in any Fund will be held by or under the control of the Trustee and will be deemed at all times a part of the particular fund for which they were purchased. Interest accruing thereon and any profit realized from such investments will be credited, and any loss will be charged, to the particular fund from which the investment was made.

Defaults and Remedies

Each of the following is an “Event of Default” under the Indenture:

- (a) Default in the payment of any interest on any Bond when and as the same is due;
- (b) Default in the payment of the principal of or any premium on any Bond when and as the same is due, whether at the stated maturity or redemption date thereof or by acceleration;
- (c) Default in the payment of the purchase price of any Bond required to be purchased hereunder when and as the same is due;
- (d) Default in the observance or performance of any other of the covenants, agreements or conditions on the part of the Issuer included in the Indenture or in the Bonds and the continuance thereof for a period of 30 days after the Trustee gives written notice to the Issuer, the Bank and the Borrower;
- (e) The occurrence of an “Event of Default” as defined in the Loan Agreement;
- (f) The Trustee receives a written notice from the Bank of the occurrence of a “Default” under the Reimbursement Agreement and directing the Trustee to accelerate all outstanding Bonds;
- (g) The Bank shall wrongfully dishonor any draft or other request for payment under the Letter of Credit presented in strict accordance with its terms, the Letter of Credit shall, for any reason, become unavailable to or unenforceable by the Trustee, or the Bank (i) shall generally not pay its debts as they become due, (ii) shall admit in writing its inability to pay its debts generally, (iii) shall make a general assignment for the benefit of creditors, (iv) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (v) shall take any action to authorize any of the actions described above in this

subparagraph (g), or (vi) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if each such proceeding is being contested by the Bank in good faith, each such proceeding shall remain undismissed or unstayed for a period of 60 days, and the Borrower shall not have obtained an Alternate Letter of Credit within 60 days after receipt of written notice of each such occurrence; and

(h) Receipt by the Trustee of written notice from the Bank by the fifteenth calendar day following the honoring of an interest drawing on the Letter of Credit that the amount available to be drawn by the Trustee under the Letter of Credit has not been reinstated to an amount not less than 100% of the outstanding principal of, plus 45 days' interest on the Bonds (or 210 days' interest on the Bonds if the Bonds then bear interest at the Fixed Rate) computed at the maximum interest rate of 10%.

Any default described in subsection (d) above may be waived by the Trustee with the written consent of the Bank from time to time if the Issuer (or the Borrower, on behalf of the Issuer) is proceeding with all due diligence to cure such default and the Issuer is not otherwise in default under the Indenture.

Subject to the requirement that the Bank's consent to any acceleration must be obtained in the case of an Event of Default described in subsection (d) or (e) above, upon the occurrence of any Event of Default hereunder, the Trustee may and upon (i) the written request of the holders of not less than twenty-five percent in aggregate principal amount of Bonds then Outstanding or (ii) the occurrence of an Event of Default under subsection (f) above, the Trustee shall, by notice in writing sent to the Issuer, declare the principal of and any premium on all Bonds then Outstanding (if not then due and payable) and the interest accrued thereon to be due and payable immediately, and, upon said declaration, such principal and premium, if any, and interest shall become and be immediately due and payable. Pursuant to such declaration, interest on the Bonds shall accrue to the date of such declaration. Upon any declaration of acceleration hereunder, the Trustee shall immediately exercise such rights as it may have under the Loan Agreement to declare all payments thereunder to be immediately due and payable and, to the extent it has not already done so and to the extent necessary, shall immediately draw upon the Letter of Credit as provided in the Indenture.

Upon the happening and continuance of an Event of Default under the Indenture the Trustee may, but only with the prior written consent of the Bank, with or without taking action to accelerate under the Indenture, as described above, pursue any available remedy to enforce the performance of or compliance with any other obligation or requirement of the Indenture, the Loan Agreement or the Promissory Note.

Subject to the foregoing and the requirement that the Bank's consent to the exercise by the Trustee of any such available remedy must be obtained, upon the happening and continuance of an Event of Default, and if requested to do so by the holders of at least 25% in aggregate principal amount of Bonds then outstanding and the

Trustee is indemnified as provided under the Indenture, the Trustee shall exercise such of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interest of the Bondholders and, except to the extent inconsistent with the interests of the Bondholders, the Bank.

Subject to the rights of the Bank to direct proceedings as summarized above and as further provided in the Indenture, the holders of a majority in aggregate principal amount of Bonds then outstanding shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or any other proceedings thereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture, and provided that the Trustee shall be indemnified to its satisfaction.

Discharge of Lien

When all principal of, premium, if any, and interest on the Bonds have been paid, or after provision for such payment has been made in accordance with the Indenture, and all fees and charges of the Trustee payable through the date on which the Bonds are to be retired and all other obligations of the Issuer and the Borrower under the Loan Agreement, the Indenture and the Promissory Note have been paid and fully performed, then the Security shall be released from the lien of the Indenture and the Indenture shall be discharged. The Trustee will deliver to the Issuer and the Borrower any written instrument necessary to evidence such discharge.

Supplemental Indentures

The Issuer and the Trustee, with the consent of the Bank but without consent of or notice to any Bondholder, may enter into supplementary indentures not inconsistent with the Indenture:

(a) To cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture which may be defective or inconsistent with any provision contained in the Indenture or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Indenture which do not adversely affect the interest of the Bondholders or the Bank;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders or the Bank any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;

(c) To grant or pledge to the Trustee for the benefit of the Bondholders and the Bank any additional security other than that granted or pledged under the Indenture;

(d) To modify, amend or supplement the Indenture or any supplemental indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States;

(e) To appoint a successor Trustee, separate trustees or co-trustees in the manner provided in Article VII of the Indenture;

- (f) To obtain a rating on the Bonds from a national rating service; and
- (g) To make any other change which, in the judgment of the Trustee acting in reliance upon an opinion of counsel, is not to the prejudice of the Trustee or the Bondholders.

Exclusive of supplemental indentures for the purposes set forth in the preceding paragraph, the consent of the Bank and the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding and affected by such supplemental indenture is required to approve the execution by the Trustee of any supplemental indenture, except that no supplemental indenture shall permit (a) without the consent of the holders of all Bonds then outstanding (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or the interest on, any Bond; (ii) a reduction in the principal amount of, or the premium or the rate of interest on, any Bond; (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds; (iv) the creation of a lien prior to the lien of this Indenture; (v) a reduction in the aggregate principal amount of the Bonds required for consent to any supplemental indenture; or (vi) a modification or change which impairs the ability of a Bondholder to tender Bonds for purchase pursuant to the Indenture, or (b) without the consent of the Trustee a modification or change in the duties of the Trustee. No supplemental indenture which affects the rights or obligations of the Borrower shall become effective without the consent of the Borrower.

Trustee

The Bank of New York Trust Company, N.A., with a designated corporate trust office in Indianapolis, Indiana, is the Trustee under the Indenture. A successor trustee may be appointed in accordance with the terms of the Indenture. The designated corporate trust office of the Trustee is located at 300 N. Meridian Street, Suite 910, Indianapolis, Indiana 46204, Attention: Corporate Trust Department.

The Trustee will be protected in acting in reliance on opinions of counsel and other instruments believed to be genuine and correct. Before taking any action requested by the Bondholders or the Borrower (except for acceleration of the Bonds as required under the Indenture or drawing on the Letter of Credit as required by the Indenture), the Trustee may require satisfactory security or an indemnity bond from such Bondholders or the Borrower for the reimbursement of expenses and for protection against all liability, except liability which is adjudicated to have resulted from breach of the standard of care for the Trustee set forth in the Indenture.

Remarketing Agent

Fifth Third Securities, Inc. is the Remarketing Agent under the Indenture. A successor Remarketing Agent may be appointed in accordance with the terms of the Indenture. Communications with the Remarketing Agent should be directed to Fifth Third Securities, Inc., 38 Fountain Square Plaza, MD#10903B, Cincinnati, Ohio 45263.

SECTION 54. TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Issuer and the Borrower with the Tax Covenants, as defined below. Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. See APPENDIX B for the form of opinion of Bond Counsel.

Pursuant to the terms of the Indenture, the interest rate for the Bonds may change from the Variable Rate to the Fixed Rate, subject to the terms and conditions described herein and in the Indenture; provided, however, that such change is subject to receipt of an opinion of nationally recognized bond counsel. The tax opinion of Barnes & Thornburg LLP described herein expresses no opinion as to the effect upon any of the Bonds or the excludability from gross income of the interest thereon for federal income tax purposes resulting from any such change.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Issuer and the Borrower will covenant not to take any action, within their power and control, nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Indenture, the Loan Agreement and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from federal gross income and exempt from State income tax, the accrual or receipt of interest on the Bonds may otherwise affect a Bondholder's federal income or state tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status and a Bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences.

No assurances can be given that any future legislation, clarification or amendments to the Code, if enacted into law, will not contain proposals which would cause the interest on the Bonds to be subject directly or indirectly to federal or State income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent the Holders thereof from realizing the full current benefit of the status of the interest thereon.

THE FOREGOING DISCUSSION OF TAX MATTERS IS NOT AND DOES NOT PURPORT TO BE A COMPLETE AND COMPREHENSIVE DISCUSSION OF ALL OF THE STATE AND FEDERAL TAX RAMIFICATIONS OF OWNING THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE FOREGOING AND OTHER TAX CONSEQUENCES OF OWNING THE BONDS.

SECTION 55. APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale by the Issuer of the Bonds will be passed upon by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel and counsel for the Bank. Copies of the approving opinions of Barnes & Thornburg LLP, as Bond Counsel, will be available at the time of the delivery of the Bonds. Certain legal matters will be passed upon by Bryant Miller Olive, Miami, Florida, as counsel to the Borrower, and Adorno & Yoss, LLP and John C. Rayson, Esq., as co-counsel to the Issuer.

SECTION 56. CERTAIN RELATIONSHIPS AMONG PARTIES

Fifth Third Bank, an Ohio banking corporation, is issuing the Letter of Credit. Fifth Third Securities, Inc. is acting as Underwriter and Remarketing Agent. Fifth Third Bank or other affiliates of Fifth Third Bancorp currently has, and from time to time in the future may have, other credit, deposit and otherwise banking relationships with the Borrower.

The Borrower has represented to the Underwriter and the Remarketing Agent that the Borrower does not control, is not controlled by and is not under common control with the Bank. The Bank has certified to the Underwriter and the Remarketing Agent that the Bank does not control, is not controlled by and is not under common control with the Borrower. For purposes of this paragraph, the term “control” shall have the meaning given to it in Section 2(a)(9) of the Investment Company Act of 1940, as amended.

SECTION 57. EXEMPTION FROM CONTINUING DISCLOSURE

No continuing disclosure shall be provided in connection with the Bonds (so long as the Bonds bear interest at the Variable Rate) based upon an exemption from the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

SECTION 58. UNDERWRITING

The Bonds are intended to be exempt securities under the Securities Act of 1933, as amended (the “1933 Act”), and the offer, sale and delivery of the Bonds does not require registration under the 1933 Act or qualification of the Indenture under the Trust Indenture Act of 1939. Fifth Third Securities, Inc., as Underwriter has agreed to

purchase the Bonds at an aggregate purchase price of \$2,500,000* pursuant to a Bond Purchase Agreement entered into by the Issuer, the Underwriter and the Borrower. The Underwriter will receive an underwriting fee in the amount equal to ___% of the principal amount of the Bonds for underwriting the Bonds. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public.

The Borrower has agreed to indemnify the Underwriter and the Issuer against certain liabilities. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions of the agreement among the Issuer, the Borrower and the Underwriter.

SECTION 59. CONCLUDING STATEMENT

The foregoing summaries or descriptions of provisions of the Bonds, the Indenture, the Loan Agreement, the Remarketing Agreement, the Reimbursement Agreement and the Letter of Credit, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof, and reference is made to these documents for full and complete statements of their provisions. The appendixes attached hereto is a part of this Offering Circular. Copies, in reasonable quantity, of the Letter of Credit, the Indenture, the Loan Agreement, the Reimbursement Agreement and the Remarketing Agreement may be obtained during the offering period upon request directed to the Underwriter.

APPENDIX A

FIFTH THIRD BANK

Fifth Third Bank (the "Letter of Credit Bank"), is a state banking corporation organized under the laws of the State of Ohio. The Letter of Credit Bank is a major regional commercial bank offering a wide range of banking services to individual and business customers.

At June 30, 2007, the Letter of Credit Bank had total assets of approximately \$54.939 billion, total liabilities and minority interests in consolidated subsidiaries of approximately \$49.902 billion, and total shareholders' equity of approximately \$5.037 billion. The Balance Sheet from the Report of Condition of the Letter of Credit Bank at June 30, 2007 are set forth on the following pages.

All of the Letter of Credit Bank's capital stock is owned by Fifth Third Bancorp, a publicly-held bank holding company, the common stock of which is registered under the Securities and Exchange Act of 1934. Fifth Third Bancorp files annual and other reports containing audited, consolidated financial and other

* Preliminary, subject to change

information, with the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20001-2739, and copies of this information may be obtained from the commission upon payment of copying charges or examined at the Commission's offices, without charge. The Letter of Credit is an unsecured obligation of the Letter of Credit Bank and not of Fifth Third Bancorp. Fifth Third Bancorp has not guaranteed the Letter of Credit Bank's obligation under the Letter of Credit or the Reimbursement Agreement and is not and will not become obligated in any manner with respect thereto.

The Letter of Credit Bank will supply without charge to any person to whom this Offering Circular is delivered a copy of the Fifth Third Bancorp Form 10-K for the year ended December 31, 2006, as well as copies of subsequently filed quarterly and other reports on Forms 10-Q or 8-K, as filed with the Securities and Exchange Commission, upon written request to Paul L. Reynolds, Fifth Third Bancorp, 38 Fountain Square Plaza, Cincinnati, Ohio 45263. Telephone requests should be directed to (513) 579-5300.

The Letter of Credit Bank and Fifth Third Bancorp are responsible only for the information contained in this Appendix and did not participate in the preparation of, or in any way verify, the information contained in any other part of this Offering Circular. Accordingly, neither the Letter of Credit Bank or Fifth Third Bancorp assumes any responsibility for nor makes any representation or warranty as to the accuracy or completeness of information contained in any other part of this Offering Circular.

Fifth Third Bank 38 FOUNTAIN SQUARE PLAZA CINCINNATI, OH 45263 FDIC Certificate Number: 6672 Web Address: http://www.53.com	FFIEC 031 Consolidated Report of Condition for June 30, 2007
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Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC--Balance Sheet

Dollar Amounts in Thousands		
ASSETS		
1. Cash and balances due from depository institutions (from Schedule RC-A)		
a. Noninterest-bearing balances and currency and coin	RCFD 0081	1,986,513
b. Interest-bearing balances	RCFD 0071	93,065
2. Securities:		
a. Held-to-maturity securities (from Schedule RC-B, column A)	RCFD 1754	317,368
b. Available-for-sale securities (from Schedule RC-B, column D)	RCFD 1773	5,452,539
3. Federal funds sold and securities purchased under agreements to resell		
a. Federal funds sold in domestic offices	RCON B987	2,919,722
b. Securities purchased under agreements to resell	RCFD B989	0
4. Loans and lease financing receivables (from Schedule RC-C):		
a. Loans and leases held for sale	RCFD 5369	1,698,502
b. Loans and leases, net of unearned income	RCFD B528	36,275,385
c. LESS: Allowance for loan and lease losses	RCFD 3123	349,048
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	RCFD B529	35,926,337
5. Trading assets (from Schedule RC-D)	RCFD 3545	471,147
6. Premises and fixed assets (including capitalized leases)	RCFD 2145	716,468
7. Other real estate owned (from Schedule RC-M)	RCFD 2150	81,665
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	RCFD 2130	0
9. Not applicable		
10. Intangible assets:		

a. Goodwill	RCFD 3163	461,515
b. Other intangible assets (from Schedule RC-M)	RCFD 0426	691,696
11. Other assets (from Schedule RC-F)	RCFD 2160	4,122,868
12. Total assets (sum of items 1 through 11)	RCFD 2170	54,939,405

LIABILITIES		
13. Deposits:		
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)	RCON 2200	27,054,097
(1) Noninterest-bearing	RCON 6631	6,651,224
(2) Interest-bearing	RCON 6636	20,402,872
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)	RCFN 2200	5,622,201
(1) Noninterest-bearing	RCFN 6631	0
(2) Interest-bearing	RCFN 6636	5,622,201
14. Federal funds purchased and securities sold under agreements to repurchase		
a. Federal funds purchased in domestic offices	RCON B993	3,733,372
b. Securities sold under agreements to repurchase	RCFD B995	1,155,724
15. Trading liabilities (from Schedule RC-D)	RCFD 3548	312,720
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCFD 3190	7,807,332
17. Not applicable		
18. Not applicable		
19. Subordinated notes and debentures	RCFD 3200	821,392
20. Other liabilities (from Schedule RC-G)	RCFD 2930	3,395,164
21. Total liabilities (sum of items 13 through 20)	RCFD 2948	49,902,002
22. Minority interest in consolidated subsidiaries	RCFD 3000	99
EQUITY CAPITAL		
23. Perpetual preferred stock and related surplus	RCFD 3838	0
24. Common stock	RCFD 3230	4,540
25. Surplus (exclude all surplus related to preferred stock)	RCFD 3839	2,123,983
26. a. Retained earnings	RCFD 3632	3,102,677
b. Accumulated other comprehensive income	RCFD B530	-193,896
27. Other equity capital components	RCFD A130	0
28. Total equity capital (sum of items 23 through 27)	RCFD 3210	5,037,304
29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)	RCFD 3300	54,939,405

SECTION 60.

APPENDIX B
(Form of Bond Counsel Opinion)

November __, 2007

Town of Davie, Florida

Fifth Third Securities, Inc.
Cincinnati, Ohio

**Re: Town of Davie, Florida
 Educational Facilities Revenue Bonds, Series 2006
 (Parkway Christian School Project)**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Davie, Florida (the "Issuer"), of \$2,500,000 aggregate principal amount of its Educational Facilities Revenue Bonds, Series 2007 (Parkway Christian School Project), dated November __, 2007 (the "Bonds"), pursuant to the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer, and other applicable provisions of law, a resolution adopted by the Issuer's Town Council on November 7, 2007 (the "Resolution"), the Trust Indenture between the Issuer and The Bank of New York Trust Company, N.A., as trustee, dated as of November 1, 2007 (the "Indenture"), and the Loan Agreement between the Issuer and Parkway Christian Church, Inc. (the "Borrower"), dated as of November 1, 2007 (the "Agreement"). We have examined the law and such certified proceedings and such other papers as we deem necessary to render this opinion.

The Bonds are issued initially in the form of fully registered bonds in the denomination of \$100,000 and any integral multiple of \$5,000 in excess thereof. The Bonds bear interest at the Weekly Interest Rate (as defined in the Indenture), may be converted to bear interest at various interest rate modes (as defined in the Indenture), and are subject to redemption and tender for purchase, all as more particularly described in the Indenture. Prior to a conversion of the interest rate on the Bonds to any of the various interest rate modes, or the delivery of an Alternate Letter of Credit (as defined in the Indenture) to the Trustee, an opinion of nationally recognized bond counsel is required as to certain matters with respect to the Bonds.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Borrower contained in the Resolution, the Indenture and the Agreement, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, the Borrower and others,

including certifications contained in the tax and arbitrage certificate of the Issuer and the Borrower dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Bryant Miller Olive, as counsel to the Borrower, and the legal opinion of Adorno & Yoss, LLP and John C. Rayson, Esq., as co-counsel to the Issuer, both dated the date hereof, as to the matters stated therein.

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

1. The Issuer is a political subdivision, validly existing under the laws of the State of Florida (the "State"), with the corporate power to adopt the Resolution, enter into the Indenture and the Loan Agreement and perform its obligations thereunder and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding special and limited obligations of the Issuer, enforceable in accordance with their terms. The Bonds are payable solely from the Revenues (as defined in the Indenture).

3. The Resolution has been duly adopted, and the Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Issuer, and are valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms.

4. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), the interest on the Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer, the Borrower and any beneficiary of the Bonds, comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted or represented that they will comply with such requirements. Failure to comply with certain of such requirements may cause the interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding the effect on the exclusion of interest on the Bonds from gross income for federal income tax purposes upon the conversion of the interest rate on the Bonds from the Variable Interest Rate to any other interest rate mode or the delivery of an Alternate Letter of Credit to the Trustee. Except for the opinion expressed in paragraph 5 hereof, we express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

5. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for the purpose of computing the alternative minimum tax imposed on

corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Offering Circular, dated November __, 2007, or any other offering material relating to the Bonds.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

Very truly yours,

BARNES & THORNBURG LLP

