

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	May 2, 2017	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Department of Economic Sustainability		

I. EXECUTIVE BRIEF

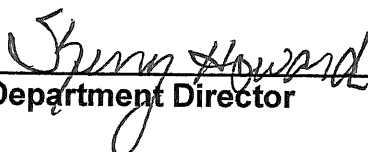
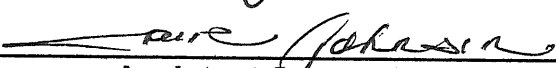
**Motion and Title:** Staff recommends motion to adopt: a Resolution of the Board of County Commissioners of Palm Beach County, Florida, ratifying the conversion of interest rate modes in connection with the County's Variable Rate Demand Revenue Bonds (The Children's Home Society of Florida Project), Series 2008, and authorizing certain amendments to existing documents in connection therewith; providing for repeal of inconsistent provisions; providing for severability; and providing an effective date.

**Summary:** Palm Beach County has previously issued its Variable Rate Demand Revenue Bonds (The Children's Home Society of Florida Project), Series 2008 pursuant to a trust indenture that provides for different interest rate modes. The Bonds were issued to finance and refinance facilities owned by The Children's Home Society of Florida located at 3333 Forest Hill Boulevard in West Palm Beach and in other Florida counties. The Children's Home Society of Florida desires to change the interest rate through a private placement with Fifth Third Bank as purchaser, and to make certain modifications necessary in connection therewith. **Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay the principal, premium, if any, or interest on the Bonds.** District 2 (PFK)

**Background and Justification:** As issuer of the Bonds, it is necessary that the County enter into any amendments to documents securing the same. This approval does not, in any way, obligate the County on the Bonds or imply that the County has determined that the Bonds are credit-worthy or serve a public purpose.

Attachment(s):

1. Resolution

Recommended By:		4-13-17
	Department Director	Date
Approved By:		4/24/17
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT *	0				


# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_  
Budget Account No.:

Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_


B. Recommended Sources of Funds/Summary of Fiscal Impact:

\* No fiscal impact.

C. Departmental Fiscal Review:   
Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 4/14/17  
OFMB 4/14 MD 4/14 MB 4/14

 4/20/17  
Contract Development and Control

B. Legal Sufficiency:

 4/25/17  
Assistant County Attorney

C. Other Department Review:

\_\_\_\_\_  
Department Director

**RESOLUTION NO. R2017-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA RATIFYING THE CONVERSION OF INTEREST RATE MODES IN CONNECTION WITH THE COUNTY'S VARIABLE RATE DEMAND REVENUE BONDS (THE CHILDREN'S HOME SOCIETY OF FLORIDA PROJECT), SERIES 2008, AND AUTHORIZING CERTAIN AMENDMENTS TO EXISTING DOCUMENTS IN CONNECTION THEREWITH; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Palm Beach County, Florida (the "Issuer") has previously issued its Variable Rate Demand Revenue Bonds (The Children's Home Society of Florida Project, Series 2008 (the "Bonds")) to provide for funding of certain costs associated with refunding indebtedness and financing social service centers for The Children's Home Society of Florida (the "Company").

**WHEREAS**, the Bonds were issued pursuant to the terms of a Trust Indenture, dated as of April 1, 2008 (the "Original Indenture") between the Issuer and The Bank of New York Trust Company, N.A. as trustee (the "Trustee"), and the proceeds thereof loaned to the Company pursuant to the terms of a Loan Agreement, dated as of April 1, 2008 (the "Original Loan Agreement") between the Issuer and the Company.

**WHEREAS**, the Indenture provides for the Bonds to bear interest pursuant to several different interest rate modes, and the Company has expressed its desire to change from the Weekly Rate mode the Bonds currently bear interest under.

**WHEREAS**, in connection therewith, it is necessary to amend the Original Indenture and Original Loan Agreement in order to accomplish said conversion and to make certain changes requested by Fifth Third Commercial Bank Funding, Inc., who will be the purchaser of the converted Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

**SECTION 1. RATIFICATION OF CONVERSION.** The Issuer hereby ratifies the conversion of the Bonds from the Weekly Rate as established under the Original Indenture, subject to the changes made pursuant to the First Supplemental Indenture and First Supplemental Loan Agreement authorized below.

**SECTION 2. APPROVAL OF FIRST SUPPLEMENTAL INDENTURE AND FIRST SUPPLEMENTAL LOAN AGREEMENT.** The First Supplemental Trust Indenture, dated as of May 1, 2017 (the "First Supplemental Indenture") and First Supplemental Loan Agreement, dated as of May 1, 2017 (the "First Supplemental Loan Agreement") in the forms attached thereto as Exhibit A and Exhibit B, respectively, are hereby approved in substantially such forms, with such modifications as may be approved by the Mayor or Vice Mayor, such approval to be conclusively determined by his execution thereof, and the execution and delivery thereof by the Mayor or Vice Mayor of the Board of County Commissioners and the Clerk and Comptroller of the Issuer who are hereby authorized to execute and deliver such instruments and to take such other actions as shall be necessary in connection with the conversion of the Bonds is hereby authorized.

**SECTION 3. REPEAL OF INCONSISTENT PROVISIONS.** All resolutions or parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

**SECTION 4. SEVERABILITY.** In the event that any portion or section of this Resolution is determined to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such decision shall in no manner affect the remaining portions or sections of this Resolution, which shall remain in full force and effect.

**SECTION 5. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its final passage and adoption.

The foregoing Resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_, and being put to a vote, the vote was as follows:

<b>Commissioner Paulette Burdick, Mayor</b>	_____
<b>Commissioner Melissa McKinlay, Vice Mayor</b>	_____
<b>Commissioner Hal R. Valeche</b>	_____
<b>Commissioner Dave Kerner</b>	_____
<b>Commissioner Steven L. Abrams</b>	_____
<b>Commissioner Mary Lou Berger</b>	_____
<b>Commissioner Mack Bernard</b>	_____

The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**PALM BEACH COUNTY, FLORIDA,  
BY ITS BOARD OF COUNTY  
COMMISSIONERS**

**APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY**

**ATTEST: SHARON R. BOCK  
CLERK & COMPTROLLER**

By: \_\_\_\_\_  
Paul F. King,  
Senior Assistant County Attorney

By: \_\_\_\_\_  
Deputy Clerk

## **EXHIBIT A**

### **FIRST SUPPLEMENTAL TRUST INDENTURE**

This First Supplemental Trust Indenture (the "First Supplemental Indenture"), dated as of May \_\_\_, 2017, by and between Palm Beach County, Florida (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee");

#### **WITNESSETH:**

**WHEREAS**, the Issuer and the Trustee have previously entered into that certain Trust Indenture, dated as of April 1, 2008 (the "Original Indenture", and together with the First Supplemental Indenture, the "Indenture") pursuant to which the Issuer's Variable Rate Demand Revenue Bonds (The Children's Home Society of Florida Project), Series 2008 (the "Bonds") have been issued for the benefit of The Children's Home Society of Florida (the "Company"); and

**WHEREAS**, as of the date hereof, [\$14,100,000] in aggregate principal amount of the Bonds remains outstanding and are accruing interest at a Weekly Rate; and

**WHEREAS**, the Company has provided notice to the Issuer and the Trustee that it wishes to (i) call a mandatory tender of the Bonds under Section 402 of the Original Indenture, (ii) remarket the Bonds in a private placement transaction, and (iii) simultaneously amend certain terms of the Bonds, the Original Indenture and the Loan Agreement, dated as of April 1, 2008, by and between the Issuer and the Company (the "Original Loan Agreement") in connection therewith;

**WHEREAS**, the mandatory tender of the Bonds, the remarketing by means of a private placement, and the modification of the Original Indenture and Original Loan Agreement (collectively, the "Transaction") will be consummated pursuant to a resolution adopted by the Board of County Commissioners of the Issuer on May 2, 2017 (the "Resolution").

**WHEREAS**, in connection with the Transaction: (i) the Issuer, the Trustee, and the Company will enter into a Tax Regulatory Agreement dated as of May \_\_\_, 2017 (the "Tax Regulatory Agreement"); (ii) the Issuer, the Company, and the Initial Direct Purchaser (as defined herein) will enter into the Bond Purchase Agreement (as defined herein); (iii) the Company and the Issuer will enter into that certain First Supplemental Loan Agreement, dated May \_\_\_, 2017, between the Company and the Issuer, amending and supplementing the Loan Agreement (the "First Supplemental Loan Agreement", and together with the Original Loan Agreement, the "Loan Agreement"); (iv) the Company and the Direct Purchaser will enter into the Covenants Agreement (as defined herein); (v) the Company and will execute and deliver a Security Agreement (as defined herein); (vi) the Company and certain of its subsidiaries and other affiliates will execute and deliver the Mortgages (as defined herein); and (vii) certain of the Company's subsidiaries and other affiliates (each, a "Guarantor" and collectively, the "Guarantors") will execute and deliver guaranties in favor of the Initial Direct Purchaser guaranteeing the payments on the Bonds and the Company's obligations under the Covenants

Agreement, in form an substance satisfactory to the Initial Direct Purchaser (as the same may be amended or otherwise modified from time to time, each, a "Guaranty" and collectively, the "Guaranties").

**NOW, THEREFORE**, the parties hereto, for good and valuable consideration received, hereby enter into this First Supplemental Indenture, amending and supplementing the Original Indenture as provided herein, and agree as follows:

**SECTION 1. MODIFICATION OF GRANTING CLAUSES.** The Granting Clauses contained in the preamble to the Original Indenture are hereby amended and restated, during any Direct Purchase Rate Period, to provide as follows:

"The Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts created by this Indenture, the purchase and acceptance of the Bonds by the owners thereof, and to declare the terms and conditions upon which the Bonds are to be authenticated, issued and delivered, to secure the payment of all of the Bonds issued and Outstanding (as hereinafter defined) under this Indenture, to secure the performance and observance by the Issuer of all the covenants, agreements and conditions contained in this Indenture, transfers in trust, pledges and assigns to the Trustee, and grants a security interest to the Trustee in, the following described property (said property referred to herein as the "Trust Estate"):

(a) all right, title and interest of the Issuer in, to and under the Loan Agreement, including all Loan Payments (as hereinafter defined) and other payments owing to the Issuer and paid by the Company under the Loan Agreement (except the Reserved Rights), and all other instruments or documents evidencing, securing or otherwise relating to the loan of the proceeds of the Bonds under the Loan Agreement;

(b) all moneys and securities (except moneys and securities held in the Rebate Fund, as hereinafter defined) from time to time held by the Trustee in the funds and accounts under the terms of this Indenture; and

(c) any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under this Indenture by the Issuer or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The Trustee shall hold in trust and administer the Trust Estate upon the terms and conditions set forth in this Indenture for the equal and pro rata benefit and security of each and every owner of Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of one Bond over or from the others, except as otherwise expressly provided herein."

**SECTION 2. INAPPLICABILITY OF PROVISIONS DURING DIRECT PURCHASE RATE PERIOD.** During the Direct Purchase Rate Period referenced below, all

references in the Original Indenture related to the Letter of Credit, the Bank, the Weekly Rate or the Commercial Paper Rate shall be inapplicable. The provisions of Section 209, 301(b) - (f), 505, 601, 602, 603, 604, 605, and 606 of the Original Indenture shall, upon the effective date of this First Supplemental Indenture and during any Direct Purchase Rate Period, also be inapplicable to the Bonds.

**SECTION 3. AMENDMENT OF DEFINITIONS.** (A) In accordance with Section 2 hereof, the definitions of the following terms in the Original Indenture do not apply to the Bonds during any Direct Purchase Rate Period: Alternate Letter of Credit, Bank, Bank Bonds, Bank Security Documents, Bond Purchase Fund, Book-Entry System, Commercial Paper Rate, Commercial Paper Rate Period, Fitch, Hypothecation Agreement, Letter of Credit, Moody's, Participants, Reimbursement Agreement, Remarketing Agent, Remarketing Agreement, S&P, Weekly Rate and Weekly Rate Period. The following terms shall have the meanings indicated.

(B) The term "Bond Purchase Agreement" shall mean a bond purchase agreement entered into between the Direct Purchaser, the Company, and the Issuer with respect to the purchase of the Bonds for a new Direct Purchase Rate Period.

(C) The term "Bonds" shall mean the Issuer's Revenue Bonds (The Children's Home Society of Florida Project), Series 2008, converted under the Original Indenture and as modified hereby.

(D) The term "Breakage Fee" shall mean an amount, if any, equal to any losses, expenses and liabilities (including any interest paid or payable by the Direct Purchaser to lenders of funds borrowed by it to make or carry the Bonds and any loss, expense or liability sustained by the Direct Purchaser in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which the Direct Purchaser may sustain if any prepayment or other principal payment on the Bonds, or any conversion of the Bonds, occurs on a date other than an Interest Payment Date.

(E) The term "Corporate Tax Rate" shall have the meaning set forth in Section 4(A)(ii) hereof.

(F) The term "Covenants Agreement" shall mean that certain Direct Purchase Covenants Agreement, dated May \_\_, 2017, between the Company and the Initial Direct Purchaser, as the same may be amended and supplemented in accordance with its terms.

(G) The term "Direct Purchaser" shall mean the purchaser of the Bonds when in a Direct Purchase Rate Period.

(H) The term "Direct Purchase Rate" shall have the meaning set forth in Section 4(A) hereof.

(I) The term "Direct Purchase Rate Period" shall mean that certain rate period during which the Bonds bear interest at a Direct Purchase Rate, as determined by Section 4(A) hereof.

(J) The term "Financing Documents" under the First Supplemental Indenture shall mean the Indenture, the Loan Agreement, the Mortgages, the Security Agreement, the Guaranties, the Covenants Agreement, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing; provided, however, that when the words "Financing Documents" are used in the context of the authorization, execution, delivery, approval or performance of Financing Documents by a particular party, the same shall mean only the Financing Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

(K) The term "Gross-Up Rate" shall mean the rate per annum calculated in accordance with Section 201(c) of the Original Indenture as modified by this First Supplemental Indenture but replacing the Tax Exempt Factor (as defined therein) with 100%.

(L) The term "Indenture" shall mean the Original Indenture as amended and supplemented by this First Supplemental Trust Indenture, and as from time to time further amended and supplemented by Supplemental Indentures in accordance with the provisions of the Original Indenture.

(M) "Initial Direct Purchase Rate" shall mean the interest rate determined pursuant to Section 4(A)(ii) hereof.

(N) "Initial Direct Purchase Rate Period" shall mean the period beginning on May \_\_\_, 2017 and ending May \_\_\_, 2022.

(O) The term "Initial Direct Purchaser" shall mean Fifth Third Commercial Funding, Inc., a Nevada corporation, as the initial Direct Purchaser of the Bonds.

(P) "Interest Adjustment Date" shall mean [the first Business Day of each calendar month].

(Q) The definition of "Interest Payment Date" contained in the Original Indenture is hereby amended to be, during any Direct Purchase Rate Period, the first calendar day of each month, commencing June 1, 2017.

(R) "LIBOR Rate" means a rate per annum determined by the Direct Purchaser equal to the interest rate per annum determined by dividing (i) a rate which is quoted by a source selected by the Direct Purchaser which has been approved by ICE Benchmark Administration Limited as an authorized information vendor the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market, at approximately 11:00 a.m., London time two (2) London business days prior to the Interest Adjustment Date, as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Interest Adjustment Date (or if unavailable for any reason, a comparable replacement rate determined by the Direct Purchaser, at such time (which determination shall be conclusive absent demonstrable error)), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage; provided however that in no event shall the "LIBOR Rate" be less than 0.00% as of any date. For this purpose



"LIBOR Reserve Percentage" means the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency Liabilities").

(S) The term "Loan Agreement" contained in the Indenture shall mean the Original Loan Agreement, as amended and supplemented by the First Supplemental Loan Agreement, dated as of May \_\_\_, 2017, as from time to time further amended by Supplemental Loan Agreements in accordance with the provisions of the Original Loan Agreement.

(T) The term "Mortgages" shall mean \_\_\_\_\_, securing the payments on the Bonds, the Guarantors' obligations under the Guaranties, and the Company's obligations under the Covenants Agreement, as the same may be amended in accordance with their respective terms.

(U) The "Notice Address" for the Initial Direct Rate Purchaser shall be Fifth Third Center at One SeaGate, 550 Summit Street, Toledo, Ohio 43604, Attention: Dave Batey, Senior Vice President.

(V) The term "Security Agreement" shall mean that certain Security Agreement, dated as of May \_\_\_, 2017 by and between the Company and Initial Direct Rate Purchaser securing the payments on the Bonds, the Guarantors' obligations under the Guaranties, and the Company's obligations under the Covenants Agreement, as the same may be amended in accordance with its terms.

**SECTION 4. FORM AND TERMS OF THE BONDS.** (A) (i) Section 201(c) of the Original Indenture is hereby amended to add at the end of Section 201(c) that: "As provided in Section 202(c-A), during a Direct Purchase Rate Period, the Bonds shall bear interest at a Direct Purchase Rate and shall be paid as provided in such Section 202(c-A).

(B) Section 201(d) of the Original Indenture is hereby amended to add at the end of Section 201(d): "Notwithstanding the foregoing, during any Direct Purchase Rate Period, (a) the payment of the purchase price of the Bonds at the end of the Direct Rate Purchase Period shall be upon presentment of said Bonds to the Trustee, and (b) the payment of principal of and interest on the Bonds, including on the Maturity Date, shall be by check or draft or wire transfer as provided in the Original Indenture. The Direct Purchaser agrees (x) to return the Bonds to the Trustee for cancellation following payment on the Maturity Date, and (y) to tender its Bonds to the Trustee prior to the end of a Direct Rate Purchase Period."

(C) Section 201(e) of the Original Indenture is hereby amended to add at the end of Section 201(e): "Notwithstanding the foregoing, during any Direct Purchase Rate Period, the Bonds shall be in substantially the form attached hereto as Exhibit A."

(D) Section 202 of the Original Indenture is hereby amended by adding the following as a new subsection 202(c-A):

"(c-A) *Direct Purchase Rate*. (1) The Direct Purchase Rate, which may be a fixed or variable rate, shall not be set at a rate greater than the Maximum Rate. The Bonds during a Direct Purchase Rate Period shall bear interest from and including the most recent Interest Payment Date to which interest has been paid to but excluding the next succeeding Interest Payment Date, payable on each Interest Payment Date until payment of the principal or redemption price thereof is made or provided for, whether at maturity, upon redemption, acceleration or otherwise.

(2) During the Initial Direct Purchase Rate Period, interest shall accrue on the Bonds in at a per annum rate equal to (x) 67% (the "Tax Exempt Factor") multiplied by (y) the sum of the LIBOR Rate plus [185] basis points, calculated on the basis of a 360-day year for the actual number of days elapsed. The interest rate will automatically be adjusted on each Interest Adjustment Date. Notwithstanding the foregoing, in the event of a change in the Corporate Tax Rate (as hereinafter defined) during any period in which interest is accruing on a tax-exempt basis causes a reduction in the tax equivalent yield on the Bonds, the interest payable on the Bonds shall be increased to compensate for such change in the effective yield to a rate calculated by multiplying the bond interest rate by the ratio equal to (1 minus A) divided (1 minus B), where A equals the Corporate Tax Rate in effect as of the date of the corporate tax rate adjustment as announced by the Internal Revenue Service and B equals the Corporate Tax Rate in effect on the date that the Initial Direct Purchase Rate Period commences. "Corporate Tax Rate" shall mean the highest marginal statutory rate of federal income tax imposed on corporations and applicable to the Initial Direct Purchaser (expressed as a decimal). Notwithstanding the foregoing, upon the occurrence of a Determination of Taxability during the Initial Direct Purchase Rate Period, the Bonds shall bear interest at the Gross-Up Rate, and there shall be paid to the Direct Purchaser immediately upon demand an amount sufficient to supplement previously paid interest on the Bonds to the Gross-Up Rate, and such obligation to supplement previously paid interest payments shall survive the purchase of the Bonds from the Initial Direct Purchaser and the payment and discharge of the Bonds and the release of the Indenture and Loan Agreement.

(3) Principal on the Bonds in a Direct Purchase Rate Period shall be paid on in the first day of each month, in equal monthly amounts of \$\_\_\_\_\_.

(4) The determination of the Direct Purchase Rate during any future Direct Purchase Rate Period shall be determined by the Direct Purchaser and the Company as set forth in the applicable Bond Purchase Agreement, which shall be conclusive and binding upon the Issuer, the Company and the Bondholders. Prior to the Interest Adjustment Date on which a Direct Purchase Rate Period would commence, other than the Initial Direct Purchase Rate Period, the Company must deliver to the Trustee (i) an opinion of Bond Counsel (which opinion shall be confirmed on the Interest Adjustment Date) stating that conversion to a new Direct Purchase Rate Period is authorized or permitted by this Indenture and the Act and that such conversion will not adversely affect the exclusion from gross income for federal tax purposes of the interest on the Bonds and (ii) a Bond Purchase Agreement with a Direct Purchaser, which shall be a bank or other

financial institution or a recognized institutional investor, which shall agree to purchase all of the Bonds at 100% of the principal amount thereof and pursuant to which the Direct Purchase Rate Period Interest Rate for the Bonds shall be determined by the Direct Purchaser as set forth herein.

(E) Section 202(d) of the Original Indenture is hereby amended to add at the end of Section 202(d): "Notwithstanding the foregoing, during the Initial Direct Purchase Rate Period, upon the occurrence of an Event of Default under the Indenture, the Bonds will bear interest at a rate equal to the then-applicable Direct Purchase Rate plus 3% per annum."

(E) Section 202(f) of the Original Indenture is hereby amended to add at the end of Section 202(f): "Notwithstanding the foregoing, during the Initial Direct Purchase Rate Period, the Initial Direct Purchaser shall calculate the interest due on any Interest Payment Date and provide such calculation to the Trustee and to the Company. The Initial Direct Purchaser, and not the Trustee, shall be responsible for keeping a record of such calculations."

**SECTION 5. REDEMPTION.** Section 301(a) of the Original Indenture is hereby amended to add at the end of Section 301(a): "Notwithstanding the foregoing, during any Direct Purchase Rate Period that does not accrue interest at a fixed rate, the Bonds shall be subject to redemption at the option of the Company prior to maturity (i) on any Interest Payment Date, at a redemption price equal to the principal amount thereof plus interest accrued to the redemption date, or (ii) on any other date, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, plus the Breakage Fee."

**SECTION 6. MANDATORY TENDER.** Section 402(d) of the Original Indenture is hereby amended effective for the duration of any Direct Purchase Rate Period, by amending and restating such section in its entirety as follows: "During a Direct Purchase Rate Period, the Bonds shall be subject to mandatory tender upon the expiration of the Direct Purchase Rate Period. Pursuant to the Indenture and the Loan Agreement, upon the expiration of any Direct Purchase Rate Period, the Direct Purchaser shall be required to tender and Company will be required to purchase all the Bonds on such date at a purchase price equal to 100% of the aggregate principal amount of the Bonds tendered for purchase, plus accrued and unpaid interest thereon to the date of purchase, unless (i) the Company desires to remarket said Bonds in a new Direct Purchase Rate Period, whereupon it must provide an executed Bond Purchase Agreement and the opinion of Bond Counsel referenced in Section 202(c-A)(4)(i) of the Indenture not later than \_\_\_\_ days prior to the end of the Direct Purchase Rate Period, and such Bonds will be purchased by the new Direct Purchaser or (ii) it desires to remarket said Bonds in a Weekly Rate Period, Commercial Paper Rate Period or Fixed Rate Period, whereupon it must provide evidence that the conditions contained in Section 202(e) of the Original Indenture are satisfied, and such Bonds will be remarketed as provided in the Original Indenture."

**SECTION 7. RESTRICTIONS ON TRANSFER.** During a Direct Purchase Rate Period, the Bonds may not be transferred except in whole. Further, the transfer of the Bonds during a Direct Purchase Rate Period shall be restricted to Permitted Lenders. A "Permitted Lender" shall mean any bank, trust company, savings institution, finance or leasing company, "qualified institutional buyer" (within the meaning of Securities and Exchange

Commission Rule 144A), insurance company or subsidiary or affiliate of the Bondholder that is engaged as a regular part of its business in making loans and is authorized to do business in the State.

**SECTION 8. EVENTS OF DEFAULT.** The following shall be additional Events of Default under Section 801 of the Original Indenture:

(A) The occurrence of an event of default under the Mortgages, the Security Agreement or the Covenants Agreement.

(B) The failure of the Company to cause the purchase of the Bonds to occur on the last day of a Direct Purchase Rate Period in accordance with the mandatory tender of the Bonds set forth in Section 402(d) as modified by this First Supplemental Indenture.

**SECTION 9. ORIGINAL INDENTURE TO REMAIN IN FORCE AND EFFECT.** Except as specifically amended hereby, the Original Indenture shall remain in full force and effect, and the Bonds shall be entitled to the security granted thereunder and hereunder. In the event of a conflict between the terms of this First Supplemental Indenture and the Original Indenture, the terms of this First Supplemental Indenture during any Direct Purchase Rate Period shall control. At the expiration of any Direct Purchase Rate Period and conversion to an interest rate mode other than a Direct Purchase Rate Period under the Indenture, the provisions of this First Supplemental Indenture shall no longer apply, and the Original Indenture shall remain in effect as it was prior to the modifications provided herein.

**SECTION 10. FURTHER ASSURANCES.** The Issuer shall do, execute, acknowledge and deliver such Supplemental Indentures and such further acts, instruments, financing statements and assurances as the Trustee may reasonably require for accomplishing the purposes of this First Supplemental Indenture.

**SECTION 11. IMMUNITY OF OFFICERS, EMPLOYEES AND MEMBERS OF ISSUER.** No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this First Supplemental Indenture against any past, present or future officer, director, member, employee, agent or attorney of the Issuer, or of any successor public corporation, either directly or through the Issuer or any successor public corporation or agency, 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 officers, directors, members, employees, agents or attorneys as such is hereby expressly waived and released as a condition of and consideration for the execution of this First Supplemental Indenture and the conversion of the Bonds.

**SECTION 12. BENEFIT OF INDENTURE.** This First Supplemental Indenture shall be binding upon the Issuer and the Trustee and their respective successors and assigns, and inure to the benefit of the parties and their successors and assigns and the owners of Outstanding Bonds, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this First Supplemental Indenture, nothing in this First Supplemental

Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns, any separate trustee or co-trustee appointed under the Original Indenture and the owners of Outstanding Bonds, any benefit or any legal or equitable right, remedy or claim under this First Supplemental Indenture.

**SECTION 13. SEVERABILITY.** If any provision in this First Supplemental Indenture or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**SECTION 14. EXECUTION IN COUNTERPARTS.** This First Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

**SECTION 15. GOVERNING LAW.** This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this First Supplemental Trust Indenture to be duly executed by their duly authorized officers, as of the day and year first above written.

PALM BEACH COUNTY, FLORIDA

ATTEST:

Sharon R. Bock, Clerk & Comptroller

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

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

[SEAL]

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

\_\_\_\_\_  
County Attorney

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

By: \_\_\_\_\_  
Authorized Officer

*[Signature Page to First Supplemental Trust Indenture]*

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**EXHIBIT A**  
**TO FIRST SUPPLEMENTAL TRUST INDENTURE**  
**(FORM OF BONDS)**

No. R-\_\_\_\_\_

\$ \_\_\_\_\_

**PALM BEACH COUNTY, FLORIDA**  
**REVENUE BONDS**  
**(THE CHILDREN'S HOME SOCIETY OF FLORIDA PROJECT)**  
**SERIES 2008**

**Interest Rate**  
Variable (as provided herein)

**Maturity Date**  
May 1, 2038

**Dated Date**  
April 1, 2008

**Registered Owner:**

**Principal Amount:** \_\_\_\_\_ **DOLLARS**

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture described herein.

Palm Beach County (the "Issuer"), a political subdivision of the State of Florida (the "State"), for the value received, promises to pay, but solely from the sources herein specified to the registered owner named above, or registered assigns, the principal amount stated above on the maturity date stated above, except as the provisions herein set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said principal amount at the interest rate per annum determined as herein provided, from the date of Bonds stated above or from the most recent interest payment date to which interest has been paid or duly provided for, payable on each interest payment date as herein described, until said principal amount is paid.

**Method and Place of Payment.** The principal of, redemption premium, if any, and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the registered owner at the maturity or redemption date upon presentation and surrender of this Bond at the designated corporate trust office or other designated payment office of The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of this Bond appearing on the bond register maintained by the Trustee at the close of business on the Record Date for such interest, and shall be paid by check or draft mailed to such registered owner at his address as it appears on such bond register or at such other address furnished in writing by such registered owner to the Trustee.



**Authorization of Bonds.** This Bond is one of a duly authorized series of bonds of the Issuer designated "Revenue Bonds (The Children's Home Society of Florida Project), Series 2008," in the original aggregate principal amount of \$16,680,000 (the "Bonds"), issued pursuant to the authority of and in full compliance with the applicable laws of the State and pursuant to proceedings duly had by the Issuer. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by a Trust Indenture, dated as of April 1, 2008 (said Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, including by that certain First Supplemental Trust Indenture, dated as of May 1, 2017, herein called the "Indenture"), between the Issuer and the Trustee, for the purpose of making a loan to The Children's Home Society of Florida, a Florida not for profit corporation (the "Company"), to provide the funds for the purposes described in the Indenture. The loan will be made pursuant to a Loan Agreement, dated as of April 1, 2008 (said Loan Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, including by that certain First Supplemental Loan Agreement, dated as of May 1, 2017, herein called the "Loan Agreement"), between the Issuer and the Company. Under the Indenture, the Issuer has pledged and assigned certain of its rights under the Loan Agreement, including the right to receive all Loan Payments thereunder, to the Trustee as security for the Bonds. Reference is hereby made to the Indenture, which may be inspected at the designated corporate trust office of the Trustee, for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Issuer, the Trustee and the registered owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds.

**Interest Rate Provisions.** The Bonds will bear interest at a rate of \_\_\_\_% of the 30-day LIBOR rate, plus \_\_\_\_ basis points, subject to adjustment to adjustment as set forth in the Indenture. Interest shall be payable in arrears on each Interest Payment Date, commencing on June 1, 2017, calculated on the basis of a 360-day year for the actual number of days elapsed.

Upon the occurrence of an Event of Default under the Indenture, this Bond will bear interest at a rate equal to an additional 3% per annum over the applicable interest rate.

**Redemption of Bonds Prior to Maturity.** The Bonds are subject to redemption prior to their stated maturity, in accordance with the terms and provisions of the Indenture.

**Notice of Redemption.** Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail, at least thirty (30) days prior to the redemption date, to each registered owner of the Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such registered owner to the Trustee. The failure of any owner of Bonds to receive notice given as provided in this paragraph, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided herein shall be conclusively presumed

to have been duly given and shall become effective upon mailing, whether or not any owner receives such notice.

**Transfer and Exchange.** This Bond may be transferred or exchanged, as provided in the Indenture, only upon the bond register maintained by the Trustee at the above-mentioned office of the Trustee by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney, and thereupon a new Bond or Bonds of the same series and maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. Notwithstanding the foregoing, this Bond may not be transferred except in whole. The Bonds may not be transferred except in whole. Further, the transfer of the Bonds shall be restricted to Permitted Lenders. A "Permitted Lender" shall mean any bank, trust company, savings institution, finance or leasing company, "qualified institutional buyer" (within the meaning of Securities and Exchange Commission Rule 144A), insurance company or subsidiary or affiliate of the Bondholder that is engaged as a regular part of its business in making loans and is authorized to do business in the State.

**Limitation on Rights.** The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Bonds or the Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Indenture.

**Limited Obligations.** The Bonds and the interest thereon are special, limited obligations of the Issuer payable solely out of Loan Payments derived by the Issuer under the Loan Agreement and are secured by a pledge and assignment of such Loan Payments and other funds as provided in the Indenture. The Bonds shall not be deemed to constitute a debt or liability of the State or of any public body corporate and politic thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any public body corporate and politic thereof, but shall be payable solely from the funds provided for in the Loan Agreement and in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any public body corporate and politic thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, Mortgages, obligation or agreement of any kind whatsoever which may be undertaken by the Issuer. No breach by the Issuer of any such pledge, Mortgages, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

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

**IT IS HEREBY CERTIFIED AND DECLARED** that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

**IN WITNESS WHEREOF**, PALM BEACH COUNTY, FLORIDA BY ITS BOARD OF COUNTY COMMISSIONERS has caused this Bond to be executed in its name by the manual signature of the Mayor and attested by the manual signature of its Clerk and its seal to be affixed hereon, all as of the Dated Date specified above.

ATTEST:

PALM BEACH COUNTY, FLORIDA,  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

By: \_\_\_\_\_  
Sharon R. Bock, Clerk & Comptroller

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

CERTIFICATE OF AUTHENTICATION

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

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

Authentication Date: \_\_\_\_\_, 2017      By: \_\_\_\_\_  
Authorized Signatory

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

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(Please print or Typewrite Name, Address and Social Security Number or  
Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

---

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever

Signature Guaranteed By:

\_\_\_\_\_  
(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

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

## **EXHIBIT B**

### **FIRST SUPPLEMENTAL LOAN AGREEMENT**

This First Supplemental Loan Agreement, dated as of May \_\_, 2017 (the "First Supplemental Loan Agreement"), by and between Palm Beach County, Florida (the "Issuer") and The Children's Home Society of Florida, a Florida non-profit corporation (the "Company");

#### **WITNESSETH:**

**WHEREAS**, the Issuer and the Company have previously entered into that certain Loan Agreement, dated as of April 1, 2008 (the "Original Loan Agreement"), in connection with the Issuer's Variable Rate Demand Revenue Bonds (The Children's Home Society of Florida Project), Series 2008 (the "Bonds"); and

**WHEREAS**, the Bonds were issued pursuant to that certain Trust Indenture, dated as of April 1, 2008 (the "Original Indenture") between the Issuer and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"); and

**WHEREAS**, the Original Indenture contains provisions permitting the change of the interest rate mode on the Bonds, and the Company has elected to modify and supplement such modes to permit a private placement transaction and to make certain related amendments to the Original Indenture in connection therewith pursuant to that certain First Supplemental Trust Indenture of even date herewith by and between the Issuer and the Trustee (the "First Supplemental Indenture"; the Original Indenture, as amended and supplemented by the First Supplemental Indenture, and as the same may be further amended and supplemented pursuant to the terms of the Original Indenture, is referred to herein as the "Indenture"); and

**WHEREAS**, the Issuer and the Company desire to make corresponding changes in the Original Loan Agreement (the Original Loan Agreement, as amended and supplemented by this First Supplemental Loan Agreement, and as the same may be further amended and supplemented pursuant to the terms of the Original Loan Agreement, is referred to herein as the "Loan Agreement"), and to make certain other amendments thereto in connection with such conversion;

**NOW, THEREFORE**, the parties hereto, for valuable consideration received, hereby agree as follows:

**SECTION 1. APPLICABILITY OF TERM AND PROVISIONS; MODIFICATION OF DEFINITION.** (A) In connection with the modifications and supplements to the interest rate modes of the Bonds, all references in the Original Loan Agreement to the following terms are inapplicable during any Direct Purchase Rate Period: Alternate Letter of Credit, Bank, [Bond Purchase Fund,] Letter of Credit, Reimbursement Agreement, and [Remarketing Agent].

(B) The term "Indenture" as defined in the Original Loan Agreement is hereby modified to mean the Original Indenture (as defined herein), as amended and supplemented by the First Supplemental Indenture (as defined herein), and as the same may be further amended and supplemented pursuant to the terms of the Original Indenture.

(C) Upon the commencement and for the duration of any Direct Purchase Rate Period under the Indenture, Article V of the Loan Agreement shall be inapplicable and shall be of no force or effect.

**SECTION 2. CONTINUING DISCLOSURE.** The conversion of the Bonds as contemplated by the First Supplemental Indenture does not subject the Bonds to the provisions of the Rule.

**SECTION 3. PURCHASE OF BONDS AT END OF DIRECT RATE PURCHASE PERIOD.** (A) The Company shall be obligated to purchase the Bonds in whole by paying or causing to be paid an amount equal to the outstanding principal amount thereof, plus accrued interest to the purchase date, on or before the last day of any Direct Purchase Rate Period.

(B) Upon the purchase of the Bonds as provided in this Section 3, unless the same are remarketed pursuant to the terms of the Indenture, the Bonds shall be considered paid and no longer outstanding under the Indenture and the Loan shall automatically be deemed to be paid in an identical manner without any required action by the Issuer or the Company.

**SECTION 5. EVENTS OF DEFAULT.** In addition to the Events of Default set forth in Section 7.1 of the Original Loan Agreement, the following shall constitute Events of Default under the Loan Agreement:

- (A) Failure to make payments when due of interest and/or principal of any advance, loan or drawing under that certain Credit Agreement dated as of May [ ], 2017 by and between Fifth Third Bank, an Ohio banking corporation, as lender and the Company (the "Bank Facilities").
- (B) Any of the security interest or liens granted to the Trustee or Bondholder, or to the Initial Direct Purchaser, by means of the Mortgages and/or the Security Agreement ceases to be a valid, binding and enforceable first priority security interest, including any impairment of loan documentation and change of ownership or control.
- (C) Any default under the Bank Facilities, the Guaranties (as defined in the First Supplemental Indenture) or any other material indebtedness of the Company that has continued beyond the grace period or for a period of time sufficient to permit the acceleration of such indebtedness.
- (D) Any failure of the Company to stay execution of judgments in excess of \$\_\_\_\_\_.



- (E) The occurrence of an event of default with any other capital provider to the Company.
- (F) The occurrence of an event of default under the Mortgages, the Security Agreement, any Guaranty or the Covenants Agreement.

**SECTION 6. LIMITATION OF ISSUER'S LIABILITY.** No agreements or provisions contained herein nor any agreement, covenant or undertaking of the Issuer contained in any Financing Document executed by the Issuer in connection with the conversion of the Bonds shall give rise to any pecuniary liability of the Issuer or a general obligation of or a charge against its general credit or shall obligate the Issuer financially in any way, except with respect to the funds available hereunder or under the Indenture and pledged to the payment of the Bonds, and their application as provided under the Indenture. No failure of the Issuer to comply with any term, covenant or agreement herein or in any Financing Document executed by the Issuer in connection with the Bonds shall subject the Issuer to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available hereunder or under the Indenture and pledged to the payment of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein or in the Indenture; provided, that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the funds available hereunder or under the Indenture and pledged to the payment of the Bonds.

**SECTION 7. IMMUNITY OF MEMBERS, OFFICERS, EMPLOYEES AND DIRECTORS OF THE ISSUER AND THE COMPANY.** No recourse shall be had for the payment of the principal of or premium or interest on the Loan or for any claim based thereon or upon any representation, obligation, covenant or agreement in this First Supplemental Loan Agreement contained against any past, present or future officer, member, trustee, director, employee or agent of the Issuer or the Company, or, respectively, of any successor public or private corporation thereto, either directly or through the Issuer, the Company, or respectively, any successor public or private corporation thereto, 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 officers, members, trustees, directors, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this First Supplemental Loan Agreement; it being expressly agreed and understood that the Bonds, the Indenture and this First Supplemental Loan Agreement are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any director, trustee, member, officer, employee or agent, as such, past, present, future, of the Issuer or of any successor entity, either directly or through the Issuer or any successor entity, under or by reason of any of the obligations, promises or agreements entered into between the Issuer and the Company whether contained in this First Supplemental Loan Agreement or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such director, trustee, member, officer, employee or agent is, by the execution of this First Supplemental Loan Agreement and the Indenture, and as a condition of, and as part of the consideration for, the execution of this First Supplemental Loan Agreement and the Indenture, expressly waived and released.

**SECTION 8. BENEFIT OF LOAN AGREEMENT.** This First Supplemental Loan Agreement shall be binding upon the Issuer and the Company and their respective successors and assigns and inure to the benefit of the parties, the Trustee and their successors and assigns and the owners of the Outstanding Bonds. Nothing in this First Supplemental Loan Agreement or in the Indenture or the Bonds, express or implied, shall give to any Person, other than the parties hereto, the Trustee and their successors and assigns and the owners of the Outstanding Bonds, any benefit or any legal or equitable right, remedy or claim under the Loan Agreement.

**SECTION 9. SEVERABILITY.** If any provision in this First Supplemental Loan Agreement, the Indenture or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**SECTION 10. COUNTERPARTS.** This First Supplemental Loan Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

**SECTION 11. GOVERNING LAW.** This First Supplemental Loan Agreement shall be governed by and construed in accordance with the laws of the State.

**SECTION 12. NO THIRD PARTY BENEFICIARY.** It is specifically agreed between the parties executing this First Supplemental Loan Agreement that it is not intended by any of the provisions of any part of this First Supplemental Loan Agreement to establish in favor of the public or any member thereof, other than the Trustee and as expressly provided herein or as contemplated in the Indenture, the rights of a third-party beneficiary hereunder, or to authorize anyone not a party to this First Supplemental Loan Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this First Supplemental Loan Agreement. The duties, obligations and responsibilities of the parties to this First Supplemental Loan Agreement with respect to third parties shall remain as imposed by law.

IN WITNESS WHEREOF, the Issuer and the Company have caused this First Supplemental Loan Agreement to be duly executed by their duly authorized officers, as of the day and year first above written.

**PALM BEACH COUNTY, FLORIDA**

ATTEST:

Sharon R. Bock, Clerk & Comptroller

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

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

[SEAL]

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

\_\_\_\_\_  
County Attorney

**THE CHILDREN'S HOME SOCIETY  
OF FLORIDA**

ATTEST:

By: \_\_\_\_\_  
Chief Financial Officer

By: \_\_\_\_\_  
Chief Executive Officer