

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
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 X
 Does this Item include the use of Federal funds? Yes _____ No X
 Does this Item include the use of State funds? Yes _____ No X

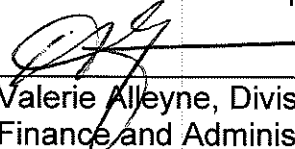
Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

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

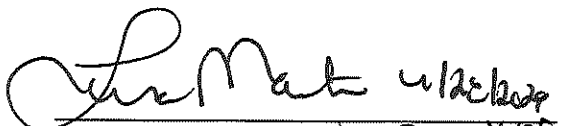
All costs to be borne by Tuscan Gardens. No fiscal impact to Palm Beach County.


C. Departmental Fiscal Review:


 Valerie Alleyne, Division Director III
 Finance and Administrative Services, DHED

III. REVIEW COMMENTS

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


 OFMB
 4/28/26
 PA 4128


 Contract Development and Control
 4/28/26
 26.4.28.26

B. Legal Sufficiency:


 Assistant County Attorney

C. Other Department Review:

 Department Director

Continued from Page 1

Summary:

The Borrower understands and agrees that it is responsible for monitoring its compliance with all applicable federal income tax, federal securities law and other regulatory requirements, retaining adequate records of such compliance, and retaining qualified counsel to respond to or assist the County in responding to any audit, examination or inquiry of the Internal Revenue Service (IRS), the Securities and Exchange Commission or other organization. The Borrower assumes responsibility for monitoring compliance with applicable provisions of federal tax laws and U.S. Treasury Regulations relative to the Bonds and will retain adequate records of such compliance until at least three (3) years after the Bonds are retired.

In the event of any audit, examination, or investigation by the IRS with respect to the tax-exempt status of the Bonds or any other related tax matters, the Borrower shall be responsible for retaining qualified counsel to respond to such audit. **Neither the taxing power nor the faith and credit of the County, nor any County funds shall be pledged to pay the principal, redemption premium, if any, or interest on the Bonds.** District 5 (DB)

Background and Policy Issues:

The Tuscan Gardens of Delray Beach senior living community opened in October 2020 following construction delays and development challenges that extended the project timeline past its anticipated May 1, 2020, grand opening. This delay was mainly due to the COVID-19 pandemic which materially disrupted the senior living sector nationwide by restricting the ability to tour prospective residents, reduced admissions due to pandemic-related restrictions and hesitancy, elevated labor and agency staffing costs, and increased healthcare, infection control, and compliance expenditures among other factors. These combined factors materially increased carrying costs and impaired net operating income that prevented the Project from achieving a stabilized performance sufficient to support its debt service structure.

In 2021, the County approved a request by the Borrower to amend the Bond Trust Indenture, dated November 1, 2018, securing the Bonds. The requested amendments permitted the County's outstanding tax-exempt and/or taxable Bonds to be refinanced and restructured. An amended Trust Indenture dated December 1, 2021, superseded the original one.

Currently, the Borrower's operating performance has steadily improved despite the challenges during construction and early lease-up period. The project has progressed to up to 92% occupancy, indicating strengthened market demand, stabilized staffing levels, and increasing normalized operating conditions. However, the capital structure remains elevated relative to sustainable cash flow capacity.

Consequently, the Series 2021 Bonds are in payment default. Still, the Bonds have not been accelerated, no additional borrowing is required or permitted, liquidity is being managed conservatively, and the majority of bondholders have consented to a new proposed First Supplemented Trust Indenture which will allow management to implement a Reverse Dutch Auction Mechanism on the outstanding Bonds.

This mechanism allows the Borrower to reduce Bond Principal at a discount, eliminates accrued default interest, reduces long-term debt service, and aligns capital structure with stabilized operations. Management believes this approach, The Reverse Dutch Auction, represents the most prudent and structured path towards financial stabilization and, eventual, timely meeting debt service obligations.

This approval and authorization for the amendment does not require a public hearing. This approval is necessary for the long-term stability and sustainability of the Borrower; it does not, in any way, obligate the County on the Bonds.

RESOLUTION NO. R2026-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA PROVIDING FOR CERTAIN AMENDMENTS TO THE PALM BEACH COUNTY, FLORIDA SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS (TUSCAN GARDENS OF DELRAY BEACH PROJECT), SERIES 2021A AND PALM BEACH COUNTY, FLORIDA SENIOR LIVING FACILITIES REVENUE BONDS (TUSCAN GARDENS OF DELRAY BEACH PROJECT), SERIES 2021B FOR THE PURPOSE OF PROVIDING FOR MATTERS RELATING TO THE REDEMPTION OF SUCH BONDS FOR THE BORROWER, TUSCAN GARDENS OF DELRAY BEACH PROPERTIES, LLC, THE PARTY RESPONSIBLE FOR PAYMENTS OF SUCH BONDS; AUTHORIZING AMENDMENT TO THE UNDERLYING TRUST INDENTURE IN CONNECTION; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR A SEVERABILITY CLAUSE, A REPEALER CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, Pursuant to the Constitution of the State of Florida, Part II of Chapter 159, Florida Statutes, Resolution R2021-1589 adopted by the County on October 19, 2021 and other applicable provisions of Florida law (collectively, the "Act"), the County previously issued the Palm Beach County, Florida Senior Living Facilities Revenue Refunding Bonds (Tuscan Gardens of Delray Beach Project), Series 2021A and Palm Beach County, Florida Senior Living Facilities Revenue Refunding Bonds (Tuscan Gardens of Delray Beach Project), Series 2021B (Federally Taxable) (collectively, the "Bonds") on December 22, 2021; and

WHEREAS, the County has been requested by Tuscan Gardens of Delray Beach Properties, LLC, a limited liability company (the "Borrower") to amend the Trust Indenture dated December 1, 2021 securing the Bonds the proceeds of which were used to refinance an assisted living and memory care facility owned and operated by the Borrower, which is responsible for the repayment of the Bonds under the terms of a certain Loan Agreement (and certain other security documents) between the County and the Borrower; and

WHEREAS, the requested amendment provides for the addition of an additional optional redemption provision whereby the current owners of the Bonds may offer their bonds for redemption pursuant to an auction process administered by the bond trustee under the Trust Indenture; and

WHEREAS, pursuant to and as required by the provisions of the Trust Indenture the Beneficial Owners of more than fifty percent (50%) in aggregate principal amount of the Bonds currently Outstanding have consented to the First Supplemental Trust Indenture.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA AS FOLLOWS:

SECTION 1. AUTHORITY. This Resolution (hereinafter called the "Resolution") is adopted pursuant to the provisions of the Act.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, when used in this Resolution the capitalized terms defined in this section and the preamble of this Resolution shall have the meanings specified in this section and in the preamble. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

"Authorized Officers" shall mean the Mayor, Vice Mayor or Commissioner, and any other officer or employee of the County designated by certificate of any of the foregoing as authorized by the County perform a specified act, sign a specified document or otherwise take action with respect to the Bonds.

"Bond Trustee" shall mean UMB Bank, National Association, as bond trustee under the Trust Indenture relating to the Bonds.

"Bondholder" shall mean the registered owner of any Bond.

"County" shall mean Palm Beach County, Florida.

"First Supplemental Trust Indenture" shall mean the First Supplemental Trust Indenture to be entered into by and between the County and the Bond Trustee in substantially the form attached hereto as Exhibit A, as amended or supplemented from time to time.

"Loan Agreement" shall mean the Loan Agreement dated as of December 1, 2021, previously entered into by and between the County and the Borrower with respect to the Bonds, as amended from time to time.

"Project" shall mean Tuscan Gardens of Delray Beach, located at 14535 Sims Road, Delray Beach, Florida, which was refinanced with the proceeds of the Bonds.

"Trust Indenture" shall mean the Trust Indenture dated as of December 1, 2021 by and between the County and the Bond Trustee.

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

A. The County was authorized by the Act and has previously issued the Bonds and made a loan to the Borrower pursuant to the Loan Agreement and the County has pledged or assigned as security for the payment of the principal of and interest on the Bonds any money or other revenues to be derived or received by the County under the Loan Agreement.

B. The previous issuance of the Bonds has promoted the public health and general welfare of the County and its residents and the amendments will permit a current refunding and restructuring of the Bonds to assist the Borrower in providing economical, safe housing and care for seniors in a retirement community and related health facilities within the County.

C. The principal of, premium, if any, and interest on the Bonds and all payments to be made on behalf of the County required under and pursuant to the Loan Agreement and the Trust Indenture, as amended, are payable solely from the proceeds to be derived by the County under and pursuant to the Loan Agreement, and the County shall never be required to pay the same from any funds of the County other than those derived by the County under the Loan Agreement. Neither the faith and credit nor the taxing power of the State, or the County or of any other political subdivision thereof, is pledged to the payment of the principal of or interest on the Bonds. The issuance of the Bonds did not directly or indirectly or contingently obligate the County, the State, or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

SECTION 4. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE FIRST SUPPLEMENTAL TRUST INDENTURE. As continued security for the payment of the principal of and premium, if any, and interest on the Bonds and in order to modify, amend and restructure the redemption terms of the Bonds, the First Supplemental Trust Indenture, in substantially the form thereof attached hereto as Exhibit A is hereby approved by the County, with such changes, alterations and corrections as may be approved by the Authorized Officers, such approval to be presumed by their execution thereof and the County hereby authorizes the Authorized Officers to execute and to attest the First

Supplemental Trust Indenture and to deliver the First Supplemental Trust Indenture to the Bond Trustee.

SECTION 5. NO PERSONAL LIABILITY. No covenant, stipulation, obligation or agreement herein contained or contained in the Loan Agreement, the Trust Indenture, or the First Supplemental Trust Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any officer, member, attorney, agent or employee of the County or its governing body in his individual capacity, and neither the County nor any official executing the Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 6. PREREQUISITES PERFORMED. All acts, conditions and things relating to the passage of this Resolution and to the execution of the First Supplemental Trust Indenture required by the Constitution or laws of the State to happen, exist and be performed precedent to and in the passage hereof, and precedent to the execution and delivery of the First Supplemental Trust Indenture have happened, exist and have been performed as so required.

SECTION 7. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions contained in this Resolution shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds.

SECTION 8. REPEALING CLAUSE. All resolutions, or parts thereof, of the County in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 9. EFFECTIVE DATE. This Resolution shall become effective immediately upon its passage and adoption by the Board.

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

Commissioner Sara Baxter, Mayor	_____
Commissioner Marci Woodward, Vice Mayor	_____
Commissioner Gregg K. Weiss	_____
Commissioner Joel G. Flores	_____
Commissioner Maria G. Marino	_____
Commissioner Maria Sachs	_____
Commissioner Bobby Powell Jr.	_____

The Mayor thereupon declared the Resolution duly passed and adopted this ___nd day of June 2026.

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

ATTEST: MIKE CARUSO, CLERK AND COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By:  _____
Assisitant County Attorney

**EXHIBIT A TO THE AUTHORIZING RESOLUTION
FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE**

FIRST SUPPLEMENTAL TRUST INDENTURE

**PALM BEACH COUNTY, FLORIDA,
as Issuer**

and

**UMB BANK, N.A.,
as Trustee**

Effective as of March 1, 2026

relating to the

**PALM BEACH COUNTY, FLORIDA
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021A
and
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021B (FEDERALLY TAXABLE)**

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE, effective as of March 1, 2026 (this "First Supplemental Indenture"), is entered into between PALM BEACH COUNTY, FLORIDA (the "Issuer"), a political subdivision of the State of Florida, and UMB BANK, N.A., a national banking association chartered under the laws of the United States of America and duly authorized and empowered to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, as trustee (in such capacity, the "Trustee");

WITNESSETH:

WHEREAS, the Issuer previously issued Palm Beach County, Florida Senior Living Facilities Revenue Refunding Bonds (Tuscan Gardens of Delray Beach Project) Series 2021A (the "Series 2021A Bonds") and Palm Beach County, Florida Senior Living Facilities Revenue Refunding Bonds (Tuscan Gardens of Delray Beach Project) Series 2021B (Federally Taxable) (the "Series 2021B Bonds," which together with the Series 2021A Bonds are referred to as the "Series 2021 Bonds"), issued, authenticated and delivered under and pursuant to the Trust Indenture dated as of December 1, 2021 by and between the Issuer and the Trustee (the "2021 Indenture");

WHEREAS, the Series 2021 Bonds were issued to refund the Issuer's previously issued Palm Beach County, Florida First Mortgage Revenue Bonds (Tuscan Gardens of Delray Beach Project), Series 2018A (the "Series 2018A Bonds"), Palm Beach County, Florida First Mortgage Revenue Bonds (Tuscan Gardens of Delray Beach Project), Series 2018B (Federally Taxable) (the "Series 2018B Bonds") and Palm Beach County, Florida Subordinate Mortgage Revenue Bonds (Tuscan Gardens of Delray Beach Project), Series 2018C (the "Series 2018C Bonds" which together with the Series 2018A Bonds and the Series 2018B Bonds are referred as the "Refunded Bonds") the proceeds of which were loaned to Tuscan Gardens of Delray Beach Properties, LLC ("Properties"), a Florida limited liability company organized under the laws of the State of Florida and Tuscan Gardens of Delray Beach Management Company, LLC ("Management" which together with Properties are referred to herein collectively as the "Borrowers"), and used to develop property in unincorporated Palm Beach County, Florida near Delray Beach, Florida to build and place in service an assisted living and memory care rental community for seniors known as "Tuscan Gardens of Delray Beach", consisting of approximately 130 total units of senior housing, including 80 assisted living units and 50 memory support units (the "Project");

WHEREAS, the Series 2021 Bonds are currently in default due to failure to make debt service payments on the Series 2021 Bonds as required by the 2021 Indenture;

WHEREAS, the Borrower has requested the Issuer to enter into this First Supplemental Indenture in order to add an additional redemption provision known as a Reverse Dutch Auction in order to permit the Holders of the Series 2021 Bonds an opportunity to have their Series 2021 Bonds redeemed at a price to be determined by the respective Holders in an effort to reduce the principal amount of the Outstanding Series 2021 Bonds and therefore cure the existing Event of Default;

WHEREAS, a Majority of the Bondholders, as defined in the 2021 Indenture, have granted their consent to the provisions of this First Supplemental Indenture;

WHEREAS, the execution and delivery of this First Supplemental Indenture have in all respects been duly and validly authorized by Resolution [_____] duly adopted and approved by the Board of County Commissioners of the Issuer; and

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL TRUST INDENTURE FURTHER WITNESSETH:

**ARTICLE I.
DEFINITIONS AND RULES OF CONSTRUCTION**

Section 1.01 **Definitions.** Unless otherwise required by the context, all words and terms defined in the whereas clauses of or otherwise in the hereinafter defined Loan Agreement shall have the same meaning as in the 2021 Indenture. In addition, the following words and terms shall have the following meanings in this First Supplemental Indenture unless the context otherwise requires:

"Loan Agreement" means the Loan Agreement dated as of December 1, 2021 by and between the Issuer and the Borrowers.

"Reverse Dutch Auction" shall have the meaning ascribed thereto in Section 2.01 hereof.

"Tender Agent" means the tender agent engaged by the Issuer to assist with the processing and completion of each Reverse Dutch Auction conducted pursuant to Section 2.01 hereof. The initial Tender Agent is the Trustee.

**ARTICLE II.
AUTHORIZATION OF REVERSE DUTCH AUCTION**

Section 2.01 **Authorization of Reverse Dutch Auction.**

(A) In accordance with and subject to the terms set forth this Section 2.01, each Holder may, but shall not have an obligation, to offer its Series 2021 Bonds for purchase to the extent requested by the Borrower in lieu of mandatory sinking fund redemption pursuant to a Reverse Dutch Auction at a price less than the principal amount thereof from funds available therefor in the Principal Account of the Bond Fund. Each Holder who desires to have its Series 2021 Bonds purchased in lieu of mandatory sinking fund redemption shall (1) complete the form to be attached as an exhibit to the notice of the Tender Agent described in Section 2.01 (B)(1) below and submit such form to the Tender Agent, and (2) irrevocably offer such Series 2021 Bonds for purchase in accordance with the terms and by the deadlines set forth in Section 2.01 (B) below and any related notice of the Tender Agent to Holders, and any offer that does not comply with the foregoing requirements as determined by the Tender Agent in its sole discretion shall not be deemed to be a valid offer.

(B) The Issuer and each Holder hereby authorizes and consents to the use of funds held in the Principal Account of the Bond Fund up to but not in excess of the principal amount to be redeemed on each Interest Payment Date to purchase Series 2021 Bonds offered by Holders under clause (A) above in lieu of mandatory sinking fund redemption under Section 3.04 of the 2021 Indenture, provided that such Series 2021 Bonds are acquired through a Reverse Dutch Auction conducted in accordance with this Section 2.01 and surrendered to the Trustee for cancellation on or before the applicable Reverse Dutch Auction termination date (or such other date set forth in the Tender Agent's notice). A "Reverse Dutch Auction" shall refer to the following process for the purchase of Series 2021 Bonds in lieu of mandatory sinking fund redemption pursuant to Section 3.04 of the 2021 Indenture:

(1) at least fifteen (15) days but not more than thirty (30) days prior to each Interest Payment Date, the Tender Agent shall send a written notice to all Holders, substantially in the form attached hereto as EXHIBIT ONE and with such other changes as the Issuer or the Tender Agent may approve in their respective discretion, informing all Holders of their rights to offer their Series 2021 Bonds for purchase pursuant to a Reverse Dutch Auction during the period set forth in such notice at such confidential discounts to par as individual Holders shall choose;

(2) as set forth in the form of such notice (a) each offer, once made, will be irrevocable by the Holder unless such offer is not accepted on the applicable date (the "Determination Date") on which the Tender Agent determines which offers shall be accepted in its discretion, and (b) on the Determination Date, offers will be accepted for purchase (i) up to an aggregate amount as will, as nearly as practicable, exhaust the funds that would otherwise be available to redeem Series 2021 Bonds pursuant to Section 3.04 of the 2021 Indenture on the next Interest Payment Date, provided that all purchases shall be subject to adjustment to accommodate the minimum authorized denomination (\$25,000 and increments of \$5,000 in excess of such amount) of the Series 2021 Bonds, (ii) in an order of priority beginning with Series 2021 Bonds offered at the lowest purchase price, and if insufficient funds are available to accept all offers made at the highest price for which any offer shall be accepted, such offers shall be accepted on a pro rata basis to the extent of such available funds, (iii) if on any Determination Date an Event of Default exists under any of Sections 9.01 (a) and/or (b) of the 2021 Indenture, then Holders participating in the Reverse Dutch Auction shall not be entitled to receive accrued but unpaid interest owing on any Series 2021 Bonds purchased in connection therewith;

(3) such process shall culminate with the surrender to the Trustee of any Series 2021 Bonds accepted for purchase in accordance with such Reverse Dutch Auction and payment of the applicable purchase price, which payment shall be in lieu of mandatory sinking fund redemption pursuant to Section 3.04 of the 2021 Indenture on the next Interest Payment Date, and the Trustee shall cancel any Series 2021 Bonds so purchased; and

(4) anything in this First Supplemental Indenture or the 2021 Indenture to the contrary notwithstanding (but subject to the Trustee's rights and protections under Article X of the 2021 Indenture), when an Event of Default has occurred and is continuing (but the Series 2021 Bonds have not been accelerated), funds in the Principal Account of the Bond Fund shall be used to

purchase Series 2021 Bonds in connection with a Reverse Dutch Auction; provided that the Trustee shall have the right to withhold such funds otherwise available for purposes of the applicable Reverse Dutch Auction that the Trustee determines are appropriate under the circumstances, including having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available in the future for all purposes under the 2021 Indenture, as supplemented including for the protection of the Trust Estate.

(C) Neither the Trustee nor the Tender Agent shall have any responsibility for confirming or assuring compliance by any party with any applicable securities laws and regulations in connection with any Reverse Dutch Auction. For the avoidance of doubt, the Trustee shall be authorized upon requisition by the Tender Agent to release funds from the Bond Fund to pay the purchase price of Series 2021 Bonds to be purchased pursuant to a Reverse Dutch Auction, provided that such Series 2021 Bonds have been tendered to the Tender Agent for delivery to the Trustee for cancellation prior to the release of funds by the Trustee from the Bond Fund.

(D) Anything herein to the contrary notwithstanding, the first Reverse Dutch Auction conducted hereunder shall be commenced no later than July 1, 2026.

(E) Application of Excess Payments. To the extent that the principal amount of any Series 2021 Bonds purchased or redeemed under this Section 2.01 on any date exceeds the amount of the related mandatory sinking fund redemption payment then due on such Interest Payment Date under Section 3.04 of the 2021 Indenture, such excess is permitted to be used to purchase and redeem additional Series 2021 Bonds and shall be applied to the remaining scheduled mandatory sinking fund redemption payments in reverse order of redemption date.

(F) Notice of Redemption. Notice of any of the redemptions authorized by this Section 2.01 shall be in the form and manner as provided by Section 3.03 of the Series 2021 Indenture. Prior to the date fixed for redemption, funds shall be deposited with the Trustee sufficient to pay the Series 2021 Bonds called and accrued interest thereon, if applicable. Upon the happening of the above conditions, any Series 2021 Bonds thus called shall not bear interest after the call date, and except for the purpose of payment by application of the funds so deposited, shall no longer be protected by the Indenture.

ARTICLE III. THE TENDER AGENT COMPENSATION

Section 3.01 **Fees, Charges, and Expenses of Tender Agent.** Absent a specific written agreement as to payment of such fees, charges and expenses, the Tender Agent shall receive payment and be reimbursed for fees and expenses for services rendered hereunder and all advances, counsel fees and expenses and disbursements and other expenses reasonably made or incurred by the Tender Agent in connection with such services from the Borrower pursuant to the Loan Agreement, provided that the Trust Estate shall not be liable for costs or expenses of the

Tender Agent other than reasonable costs and expenses. Upon an Event of Default hereunder, of which the Tender Agent has actual knowledge, the Tender Agent shall have a first lien co-equal with the lien granted to the Trustee pursuant Section 10.02 of the 2021 Indenture with right of payment on parity with the payment of such amounts due the Trustee prior to payment on account of principal of, or premium, if any, and interest on, any Series 2021 Bond upon the Trust Estate created by the Indenture for the foregoing fees, charges and expenses incurred by the Tender Agent. When the Tender Agent incurs expenses or renders services after the occurrence of an Event of Default, 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 provisions of this Section 3.01 shall survive a termination of the 2021 Indenture and as to the Tender Agent, any removal or replacement.

**ARTICLE IV.
MISCELLANEOUS**

Section 4.01 **Successors and Assigns.** This First Supplemental Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 4.02 **Severability.** If any provision of this First Supplemental Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof or of the 2021 Indenture.

Section 4.03 **Counterparts.** This First Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 4.04 **Contractual Interpretation.** The parties acknowledge that they have read and fully understand the terms of this First Supplemental Indenture, have consulted with such attorneys, accountants, advisors, or other professionals as they have deemed appropriate prior to executing this First Supplemental Indenture with adequate opportunity and time for review thereof, and are fully aware of its contents and of its legal effect. Accordingly, this First Supplemental Indenture shall not be construed against any party on the grounds that such party drafted this First Supplemental Indenture and instead, this First Supplemental Indenture shall be interpreted as though drafted equally by all parties.

Section 4.05 **Effect on 2021 Indenture.** Except as modified or amended by the provisions of this First Supplemental Indenture, the 2021 Indenture remains in full force and affect.

[SIGNATURE PAGES FOLLOW]

SIGNATURES

IN WITNESS WHEREOF, the Issuer has executed this First Supplemental Indenture by causing its name to be hereunto subscribed by its authorized signatory; and the Trustee has executed this First Supplemental Indenture by causing its name to be hereunto subscribed by its authorized signatory, all being done as of the day and year first above written.

PALM BEACH COUNTY, FLORIDA

(SEAL)

By: _____
Name: _____
Title: Mayor

_____, CLERK & COMPTROLLER
ATTEST:

By: _____
Name: _____
Title: Deputy Clerk

APPROVED AS TO LEGAL SUFFICIENCY

Assistant County Attorney

[SIGNATURES CONTINUED]

[COUNTERPART SIGNATURE PAGE TO THE TRUST INDENTURE]

UMB BANK, N.A., as Trustee

By: _____

Name: _____

Its: _____

EXHIBIT ONE

FORM OF NOTICE OF
REVERSE DUTCH AUCTION

PALM BEACH COUNTY, FLORIDA
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021A
and
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021B (FEDERALLY TAXABLE)

*CUSIP: 69655Q

Please forward this notice to beneficial holders.

Palm Beach County, as issuer (the "Issuer") and UMB Bank, N.A., as trustee (in such capacity, the "Trustee"), previously entered into that certain Trust Indenture dated as of December 1, 2021 (the "Trust Indenture") pursuant to which the above-referenced bonds (the "Bonds") were issued. The Trust Indenture was supplemented by the First Supplemental Indenture dated as of March 1, 2026 (the "First Supplemental Indenture" and collectively, the "Indenture"). Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture.

This Notice is provided to you by UMB Bank, N.A., in its capacity as Tender Agent (the "Tender Agent") and not as Trustee, to beneficial owners of Bonds to notify you that pursuant to Section 2.01 of the First Supplemental Indenture, each beneficial owner of Bonds has the right to irrevocably offer any portion of its Bonds for purchase by the Issuer in lieu of mandatory sinking fund redemption in the proposed Reverse Dutch Auction described below. Holders desiring to participate in this Reverse Dutch Auction must offer their Bonds in compliance with the terms of Section 2.01 of the Indenture and this Notice. *Any offer that does not comply with the foregoing requirements as determined by the Tender Agent in its sole discretion shall not be deemed to be a valid offer.*

Instructions for Reverse Dutch Auction:

1. Each beneficial owner (or duly authorized representative thereof) (herein after referred to as a "Holder") that desires to participate must complete the Reverse Dutch Auction Offer Form attached hereto as Exhibit A, submit the form, properly completed and signed to the Tender Agent and tender its Bonds for purchase in accordance with these instructions on or before 5:00 p.m. New York time (the "Expiration Time") on _____, 20____ (the "Tender Deadline"). No tenders of Bonds submitted after the Expiration Time will be valid. All offers by any Holder

shall be irrevocable once submitted but shall be terminated if not accepted upon completion of the auction. The amount of funds available for this Reverse Dutch Auction will be \$_____.

2. A Holder may make an offer to sell Bonds in a par amount of its choosing in authorized denominations of \$5,000; provided, that a Bond may be purchased in multiples of \$5,000 so long as, upon completion of such purchase, each Beneficial Owner owns at least the applicable Authorized Denomination in principal amount of the Bonds (\$25,000) and at a price less than par of its choosing (an "Offer Price") expressed as a dollar amount. Any Offer Price at or above par will be rejected and is not a valid offer. The Offer Price should be reflected in a price per \$1,000.00, for example the bid range would be from a minimum bid of \$.01 per thousand to a maximum bid of \$999.99 per thousand, in increments of a penny.
3. All of the Bonds are held in book-entry-only form through the facilities of The Depository Trust Company ("DTC"). A Holder that is not a DTC participant must instruct its account executive at the firm that holds its beneficial ownership interests in the Bonds to submit any offer it wishes to make to the Tender Agent in accordance with these instructions and Section 2.01 of the First Supplemental Indenture. A Holder should ask its broker or account executive at the financial institution that maintains the account in which its Bonds are held or another financial advisor for help in determining whether to offer Bonds, the par amount of Bonds of any CUSIP to be offered and whether they are to be offered at one or more Offer Prices and, if so, what the Offer Price(s) should be. **If you hold your Bonds through a broker, dealer, commercial bank, trust company or other nominee, you should consider that such entity may require you to take action with respect to this Offer a number of days before the Determination Date in order for such entity to tender Bonds on your behalf on or prior to such date.**
4. All Bonds to be offered for purchase must be tendered in accordance with the following procedures. On _____, 20____ (the "Auction Commencement Date"), the Issuer's ATOP Account (managed by the Tender Agent) for tendering Bonds pursuant to the related Reverse Dutch Auction will be established by DTC. Offers to sell Bonds may be made by tendering Bonds only to the Issuer's applicable ATOP Account. Any financial institution that is a participant in DTC may make a book-entry offer of the Bonds by causing DTC to transfer such Bonds into the Issuer's applicable ATOP Account in accordance with DTC's procedures. Concurrently with the delivery of Bonds through book-entry transfer into the Issuer's applicable ATOP Account, an agent's message in connection with such book-entry transfer must be transmitted to and received at the Issuer's applicable ATOP Account by not later than the Expiration Time. Delivery of documents to DTC does not constitute valid delivery for purposes of tendering Bonds. The confirmation of a book-entry transfer into the Tender Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation". The term "agent's message" means a message transmitted by DTC to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the Bonds and that such participant has received this Notice and agrees to be bound by the terms of its Offer and the Reverse Dutch Auction and such agreements may be enforced against such participant.

5. **On the business day immediately following the Tender Deadline**, valid offers will be accepted for purchase (i) up to an aggregate amount as will, as nearly as practicable, exhaust the funds available therefor in accordance with the Indenture, provided that all purchases shall be subject to adjustment to accommodate the minimum authorized denomination (\$25,000), (ii) in an order of priority beginning with Bonds offered at the lowest purchase price, and if insufficient funds are available to accept all offers made at the highest price for which any offer shall be accepted, such offers shall be accepted on a pro rata basis to the extent of such available funds[, and (iii) in accordance with the Indenture and as set forth in the Reverse Dutch Auction Offer Form, no accrued interest shall be paid with respect to any Bonds purchased in this auction as a result of the occurrence and continuance of a payment Event of Default under Sections 9.01 (a) and/or (b) of the Indenture]. *The Tender Agent further reserves the right to extend either the Expiration Time and/or the Tender Deadline upon written notice to the Holders.*

MISCELLANEOUS

Holders with questions about this notice should direct them to Michael Slade. Michael Slade's telephone number is (612) 337-7004 and his email address is Michael.Slade@UMBbank.com.

The Tender Agent makes no recommendations and gives no legal, investment or tax advice with respect to this Notice or the transactions contemplated hereby.

UMB Bank, N.A., as Tender Agent _____, 20__

* Tender Agent is not responsible for the selection or use of CUSIP numbers. They are included solely for the convenience of the Holders.

EXHIBIT A

TO: UMB Bank, N.A., as Tender Agent
1200 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Michael Slade
Email: michael.slade@umb.com

PALM BEACH COUNTY, FLORIDA
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021A
and
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021B (FEDERALLY TAXABLE)

CUSIP: 69655Q

DESCRIPTION OF BONDS TO BE OFFERED FOR PURCHASE BY REVERSE DUTCH
AUCTION IN LIEU OF MANDATORY SINKING FUND REDEMPTION

In order to accept the offer to purchase the above referenced bonds (the "Bonds") in lieu of mandatory sinking fund redemption, the beneficial owner (or their duly authorized representative) must complete and submit this form to the Tender Agent for the account of the Issuer.

Name and Address of Beneficial Owner:	Principal Amount Offered (in \$5,000 Increments Only)	Purchase Price Offered as a dollar amount
	\$	\$

Contact:		
Telephone:		
Email:		
Name and Address of Authorized Representative (if different):		
Contact:		
Telephone:		
Email:		

Ex One-5

Name of DTC Participant / DTC #:		
Name		
DTC Number		

In accordance with the terms of the Trust Indenture dated as of December 1, 2021 as supplemented by the First Supplemental Trust Indenture effective as of March 1, 2026 (collectively, the "Indenture"), each between the Issuer and UMB Bank, N.A. Trustee (the "Trustee"), and the Notice of Reverse Dutch Auction dated _____, 20__ (the "Auction Notice") sent to all Holders of Bonds by the Tender Agent, the undersigned Beneficial Owner, on behalf of itself, or the undersigned Authorized Representative, on behalf of the Beneficial Owner, hereby irrevocably offers the above-listed Bonds in the Principal Amount Offered and at the Purchase Price [plus accrued interest to the date of purchase]¹ shown above for purchase in lieu of mandatory sinking fund redemption by the Issuer on or before the next Interest Payment Date of ____ 1, 20__ [and acknowledges that it shall not be entitled to the payment of accrued interest on such Bonds if accepted for purchase].²

The undersigned hereby (i) agrees to (A) on or before 1:00 p.m. New York time on _____, 20__³ (the date upon which the Reverse Dutch Auction shall close and herein referred to as the "Determination Date"), take all actions necessary to tender and deliver the above-listed Bonds to the Tender Agent on or before the "Determination Date" set forth in the Issuer Notice, (ii) not sell the above-listed Bonds prior to the Determination Date unless the undersigned is notified that its offer was not accepted, and (iii) acknowledges that this submittal constitutes (A) an irrevocable offer to sell the Bonds to which this submittal relates on the Determination Date, at the Purchase Price set forth above [plus any interest thereon accrued and unpaid as of the date of purchase]⁴, (B) an irrevocable authorization and instruction to the Tender Agent to effect the transfer of such Bonds upon payment of such Purchase Price on the Determination Date, and (C) an acknowledgment that the undersigned will have no further rights with respect to such Bonds upon the Issuer's acceptance of this offer and payment of the Purchase

¹ Insert if no payment Event of Default exists under the Indenture in accordance with Section 2.01 thereof.

² Insert this provision only if a payment Event of Default exists under the Indenture in accordance with Section 2.01 thereof.

³ Insert date that Reverse **Dutch Auction** closes.

⁴ Replace with "*with no accrued interest due to a payment Event of Default that has occurred and is continuing*" if an Event of Default under Section 9.01(a) or (b) of the Indenture has occurred and is continuing.

Price thereof on the Determination Date, except for the right to receive such Purchase Price upon delivery of such Bonds to the Tender Agent and if applicable, endorsed for transfer in blank and with guarantee of signatures satisfactory to the Tender Agent.

The undersigned acknowledges and understands that in connection with the foregoing offer (i) the undersigned did not require any information relating to the Bonds other than that publicly available on the Electronic Municipal Market Access website or otherwise, (ii) the undersigned is not relying on any information provided by the Trustee, nor upon any information provided by the Tender Agent, (iii) neither the Trustee nor the Tender Agent has made any representations or warranties of any nature with respect to such offer to the undersigned, and (iv) the undersigned is responsible for compliance with all applicable securities or other laws that may apply to its offer to sell Bonds pursuant hereto.

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

SIGN HERE:

(Only one signature required)

Beneficial Owner

Printed Name: _____

Phone Number: _____

OR

Authorized Representative

By: _____

Name: _____

Its: _____

Phone Number:

Ex One-8

EXHIBIT TWO

ACKNOWLEDGMENT AND CONSENT OF BONDHOLDER

Relating to

PALM BEACH COUNTY, FLORIDA
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021A
and
SENIOR LIVING FACILITIES REVENUE REFUNDING BONDS
(TUSCAN GARDENS OF DELRAY BEACH PROJECT),
SERIES 2021B (FEDERALLY TAXABLE)

Via email and overnight delivery

Palm Beach County
Board of County Commissioners
301 N. Olive Avenue
West Palm Beach, Florida

UMB Bank, N.A., as Trustee
1200 South Sixth Street, Suite 1400
Minneapolis, Minnesota 55402
Attention: Michael Slade
Email: michael.slade@umb.com

Dear Trustee:

The above referenced Bonds were issued pursuant to that certain Trust Indenture dated as of December 1, 2021 (the "Indenture") by and between Palm Beach County, Florida (the "Issuer") and UMB Bank, N.A., as trustee, (the "Trustee"). All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Indenture.

The undersigned, as the holder of the beneficial interest in the principal amount of Bonds set forth opposite its signature or the manager or investment advisor to the holders of the beneficial interest in the principal amount of Bonds set forth opposite its signature, represents, warrants, acknowledges and agrees on behalf of the Bondholder that (i) it is the beneficial owner or manager or investment advisor of the beneficial owner of the aggregate principal amount of Bonds set forth opposite its signature; (ii) it has such knowledge and experience in business and financial matters as to be capable of evaluating the merits and risks attendant to the prospective effect of this Acknowledgment and Bondholder Consent ("Consent"); (iii) it has had the opportunity to ask questions and to obtain such information as it has determined to be necessary to enable it to

evaluate the merits and risks; and (iv) it has independently determined that providing this Consent is in its best interests.

The undersigned hereby acknowledges and consents to the First Supplemental Trust Indenture effective as of March 1, 2026 between the Issuer and the Trustee pursuant to Section 11.02 (a) of the Indenture. The undersigned will hold the Issuer and the Trustee harmless in connection with the execution and delivery of the First Supplemental Trust Indenture. The undersigned hereby acknowledges that it has received and reviewed a copy of the First Supplemental Trust Indenture, copy of which is attached hereto as Exhibit A.

Dated: _____, 2026

BONDHOLDER OR REPRESENTATIVE

By: _____

Name: _____

Title: _____

Aggregate principal amount of 2021A Bonds held on the Record Date hereof:

CUSIP # _____

\$ _____

DTC Participant Number: _____

BONDHOLDER OR REPRESENTATIVE

By: _____

Name: _____

Title: _____

Aggregate principal amount of 2021B Bonds held on the Record Date hereof:

CUSIP # _____

\$ _____

DTC Participant Number: _____

EXHIBIT A

FIRST SUPPLEMENTAL TRUST INDENTURE

The FIRST SUPPLEMENTAL TRUST INDENTURE under this EXHIBIT A refers to the full document presented above including its cover page and Eight consecutive pages, EXHIBIT ONE and EXHIBIT TWO.

MEMORANDUM

To: David Jaco, Business & Economic Development Coordinator
Palm Beach County Board of County Commissioners

From: Tuscan Gardens of Delray Beach Properties, LLC / Tuscan Gardens of Delray Beach Management Company, LLC

Date: March 1, 2026

Re: Detailed Management Update – Series 2021A and 2021B Bonds (“Tuscan Gardens of Delray Beach Project” or “Project”) – Default Status, Forbearance, and Reverse Dutch Auction

I. Purpose of Memorandum

This memorandum provides a detailed internal update regarding the Palm Beach County Senior Living Facilities Revenue Refunding Bonds (Tuscan Gardens of Delray Beach Project), Series 2021A (Tax-Exempt) and Series 2021B (Federally Taxable) (collectively, the “Series 2021 Bonds”), including current default status, operating performance, negotiated forbearance, and the proposed First Supplemental Trust Indenture authorizing a Reverse Dutch Auction.

II. Project Background and Operating History

The Tuscan Gardens of Delray Beach senior living community opened in October 2020 following construction delays and development challenges that extended the project timeline past its anticipated May 1, 2020 opening and substantially increased carrying costs before stabilization.

The COVID-19 pandemic materially disrupted the senior living sector in general nationwide. The Project specifically experienced significant headwinds during its initial lease-up phase, including but not limited to:

- Slower-than-anticipated occupancy ramp-up
- Restrictions on the ability to tour prospective residents
- Reduced admissions due to pandemic-related restrictions and hesitancy
- Elevated labor and agency staffing costs
- Increased healthcare, infection control, and compliance expenditures
- Broader sector-wide operating margin compression

These combined factors materially impaired early net operating income and prevented the Project from achieving stabilized performance sufficient to support the debt service structure established under the 2021 Indenture.

III. Current Operating Performance

Despite the challenges during construction and the early lease-up period, operating performance has steadily improved.

The community has progressed to approximately **92% occupancy**, reflecting:

- Strengthened market demand
- Improved referral pipelines
- Stabilized staffing levels
- More normalized operating conditions

Operating margins have improved relative to pandemic-impacted periods; however, the capital structure remains elevated relative to sustainable cash flow capacity.

IV. Current Default and Forbearance Status

The Series 2021 Bonds are currently in payment default due to historical operating cash flow constraints.

Key status points:

- The Bonds have **not been accelerated**.
- A majority of bondholders have consented to the proposed First Supplemental Trust Indenture.
- Bondholders are currently forbearing from exercising remedies.
- No additional borrowing is required or permitted.
- Liquidity is being managed conservatively to preserve operations.

The Bonds are limited revenue obligations payable solely from Project revenues and related pledged funds. They do not constitute a general obligation of Palm Beach County and are not backed by taxing power.

V. Reverse Dutch Auction – Structure and Economic Effect

Management has requested authorization of a First Supplemental Trust Indenture to implement a Reverse Dutch Auction mechanism.

Mechanics

Under this structure:

- Bondholders are under no obligation to offer their bonds for purchase. They may voluntarily offer their bonds for purchase at a price below par, or continue to hold them, accruing interest until such time as debt service payments begin.
- Offers are accepted beginning with the lowest discounted bids.
- Available principal funds are applied until exhausted.
- Bonds accepted in the auction are surrendered and cancelled.

Economic Impact

The Reverse Dutch Auction provides two material financial benefits:

1. **Principal Reduction at a Discount**
Outstanding bond principal is permanently reduced below face value.
2. **Elimination of Accrued but Unpaid Interest**
Bonds purchased through the auction will not receive accrued default interest, effectively extinguishing that liability.

The combination of discounted principal retirement and elimination of accrued interest materially reduces total outstanding obligations and lowers future required debt service.

Importantly, this strategy does not require additional borrowing and does not increase County exposure.

Absent implementation of this deleveraging mechanism, the existing capital structure would remain misaligned with stabilized operating performance.

VI. Financial Outlook and Path to Normalization

Management has updated its multi-year projections incorporating:

- Current occupancy levels (approximately 92%)
- Conservative absorption and rate assumptions
- Continued expense management initiatives
- Reduced leverage following anticipated bond cancellations

Under base case assumptions:

- Operating margins are expected to continue improving.
- Free cash flow is projected to strengthen over the next 24–36 months.
- Following principal reduction and interest elimination achieved through the Reverse Dutch Auction, the Project is expected to resume full, normalized debt service in **Q1 2029**.

This timeline reflects a realistic recovery trajectory aligned with stabilized operations rather than pandemic-distorted performance.

VII. Conclusion

The Project experienced construction delays followed by severe pandemic-related operating disruption during its initial lease-up phase. While performance has significantly improved, including achieving approximately 92% occupancy, the current capital structure remains elevated relative to sustainable cash flow.

The proposed Reverse Dutch Auction provides a negotiated, bondholder-supported mechanism to:

- Reduce principal at a discount
- Eliminate accrued default interest
- Lower long-term debt service requirements
- Align the capital structure with stabilized operations
- Preserve asset value

Management believes this approach represents the most prudent and structured path toward financial stabilization and eventual return to full debt service.