



Mary Wyatt
Assistant Vice President

Hancock Bank
Corporate Trust
1000 Legion Place, Suite 1250
Orlando, Florida 32801
mary_wyatt@hancockbank.com

**NOTICE OF EVENTS OF DEFAULT AND
NON-PAYMENT OF
PRINCIPAL OR INTEREST**

**TO: Holders of the Bonds
City of Palm Bay, Florida
Patriot Charter School, LLC**

FROM: Hancock Bank of Florida, as Trustee

**RE: \$20,175,000 City of Palm Bay, Florida Tax-Exempt Educational Facilities
Revenue Bonds (Patriot Charter School Project) Series 2006A (the "Series
2006A Bonds")**

**\$925,000 City of Palm Bay, Florida Taxable Educational Facilities Revenue
Bonds (Patriot Charter School Project) Series 2006B (the "Series 2006B
Bonds," and collectively with the Series 2006A Bonds, the "Bonds")**

consisting of:

**\$4,460,000 6.75% Series 2006A Term Bonds Due July 1, 2022:
CUSIP Number: 69645R AA 4***

**\$15,715,000 7.00% Series 2006A Term Bonds Due July 1, 2036:
CUSIP Number 69645R AB 2***

**\$925,000 9.00% Series 2006B Term Bonds Due July 1, 2012:
CUSIP Number 69645R AC 0***

DATED: January 1, 2012

Hancock Bank succeeded Regions Bank as Trustee (the "Trustee") under that certain Indenture of Trust dated as of March 1, 2006 (the "Indenture"), under which the City of Palm

* CUSIP numbers are included solely for the convenience of owners of the Bonds. Neither the Issuer nor the Trustee shall have any responsibility with respect to the selection or use of any CUSIP number, nor is any representation made as to the correctness of any CUSIP number, either as printed on any Bond or in this Notice.

Bay, Florida (the "City") issued the above-referenced Bonds. Capitalized terms not otherwise defined herein shall be as defined in the Indenture.

Insufficient funds exist in the Bond Fund for the January 1, 2012 scheduled debt service payment on the Bonds.

EVENTS OF DEFAULT

As described more fully in the Notices from the Trustee dated December 2, 2008, and subsequent Notices thereafter, Events of Default have occurred and are continuing with regard to the Bonds and under the Indenture and that certain Corrective Mortgage and Loan Agreement dated as of March 1, 2006 (the "Loan Agreement") between the City and Patriot Charter School, LLC (the "Company"), and assigned by the City to the Trustee, and other documents and instruments delivered in connection with the issuance of the Bonds (collectively, the "Bond Documents"). The Company's failures to remit principal and interest at the rate applicable during the continuance of Events of Default constitute additional Events of Default.

The Trustee does NOT represent that either this Notice or previous Notices constitute a complete list of all defaults and Events of Default pertaining to the Bonds or under the Bond Documents. No defaults and no Events of Default are waived or otherwise accepted by this Notice.

The occurrence of an Event of Default under the Indenture creates certain remedial rights and remedies in favor of the Trustee. Under Section 8.3, among others, of the Indenture, the owners or Beneficial Owners of the sum of a majority in aggregate principal amount of the Outstanding Bonds (the "Majority Bondholders"), have the right to direct the Trustee with regard to such rights and remedies, upon provision of written direction and indemnity to the Trustee and in accordance with the provisions of the Indenture.

The Trustee has been directed by the Majority Bondholders to not withdraw funds from the Debt Service Reserve Fund in order to make a debt service payment on any of the Bonds on January 1, 2012. Accordingly, no payment of principal or interest on the Bonds was made on January 2, 2012.

Questions concerning this notice should be sent in writing to Ms. Mary Wyatt, Assistant Vice President, Hancock Bank of Florida, 1000 Legion Place, Suite 1250, Orlando, FL 32801; via facsimile at (407) 418-4852, or via e-mail at mary_wyatt@hancockbank.com.

HANCOCK BANK , as Trustee