

**Meeting Date: July 24, 2007**      ☐ **Consent**      ☒ **Regular**  
☐ **Ordinance**      ☐ **Public Hearing**

## I. EXECUTIVE BRIEF

**Background and Policy Issues:** Beginning in 2001, the Board began the PFDP which consisted of a variety of general government buildings including; 1) Vista Center Office Building, 2) South County Courthouse Expansion, 3) 1916 Courthouse Restoration, and 4) the Operations and Support Center (OSC). OSC replaces a series of 40-60 year old buildings on Belvedere Rd and provides for the co-location of all of the County's industrial uses (Road and Bridge, Traffic Operation, FDO, Fleet Management, Fire Rescue Fleet and Warehouse Facility, Purchasing Warehouse and the Fixed Assets Warehouse and Store) on a single property at Vista Center which was purchased for this purpose. The final construction phase at OSC provides the funds required for the completion of the design and all construction for the Purchasing Warehouse and the Fixed Assets Warehouse and Store in the amount of \$20,000,000.

1. Bond Resolution (On File in OFMB)

Recommended By: Richard Robert 7/16/07  
Department Director Date

Approved By: [Signature] 7/16/07  
County Administrator Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Debt Service Costs	_____	<u>2,390,924</u>	<u>10,522,128</u>	<u>10,522,742</u>	<u>10,522,888</u>
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes X No \_\_\_\_\_  
Budget Account No.: Fund \_\_\_\_\_ Department \_\_\_\_\_ Unit \_\_\_\_\_  
Object \_\_\_\_\_ Reporting Category \_\_\_\_\_

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

The Resolution language states the bonds will be amortized up to 30 years so that this alternative may be considered. The debt service will be paid from legally available non-ad valorem revenues.

### C. Departmental Fiscal Review: The project costs are summarized as follows:

OSC: Purchasing and Fixed Assets Warehouses	\$ 20,000,000
Evidence Storage/Impound Facility Design	2,000,000
JEP2 Phase 2A Design and Construction	133,000,000
JEP2 Phase 2B Design	<u>10,000,000</u>
Total	<u>\$165,000,000</u>

## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Dev. and Control Comments:

The bonds are expected to be issued in February, 2008 and the FY 2008 budget includes a semi-annual interest payment

John A. Roney 7/16/07 N/A  
OFMB Contract Dev. and Control

### B. Legal Sufficiency:

Paul F. K. 7/17/07  
Assistant County Attorney

### C. Other Department Review:

Anthony Wolf 7/16/07  
Department Director

REVISED 9/03  
ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

**Background and Policy Issues: Continued**

As part of the effort to site the remainder of the County's industrial facilities at OSC, the only remaining industrial function that has not been accounted for at one of two County industrial properties was the Evidence Storage and Impound Facility. The Board recently approved a lease of private space to accommodate the current unmet needs for Impound for a period of time until this facility is constructed and occupied. The completion of this new facility (as well as the renovation to Four Points in 2009) will also provide the space required for expansion of PBSO uses with the current facility eliminating the need for an expansion at that location. At this time, \$2,000,000 is required for design of this facility beginning in early FY 08. The remainder of the funding to construct this facility is projected to be required in FY 09 and will be recommended for funding as part of a separate bond.

Together, the PFDP requirements are \$22,000,000 (\$20,000,000 for the completion of the OSC and \$2,000,000 for the design of the Evidence Storage/Impound Facility).

On April 24, 2007 the Board approved proceeding with the JEP2 which includes the construction of 1298 new beds in three phases which will meet the projected population requirements through 2015 and the infrastructure requirements through 2025. Phase 2A is a 871 bed expansion and supporting infrastructure at the West County Detention Center. Phase 2A also includes: 1) the construction of a new EAGLE Academy; 2) the re-use of the existing EAGLE Academy for the Drug Farm Program; and (3) the construction of two video visitation centers (one in Western PBC and the other in Central PBC at the Stockade). Phase 2B includes the demolition of 496 beds, construction of 480 beds and an Admissions and Orientation Center at the Stockade which will relocate the booking function as well as courts for in-custody population to the Stockade from the Main Detention Center on Gun Club Road. Phase 2C is the renovation of vacated spaces at the Main Detention Center for expanded special need facilities and new programs and services to support general populations.

The budget for Phase 2A is \$133,000,000. Programming and schematic design for this phase is complete and Phase 2A is beginning design development. Rezoning of the property and environmental permits were initiated and applied for several months ago and it is anticipated that all will be approved by October allowing for land development activities to commence. Land development activities at the site including demucking, filling, installation of storm water management facilities, new utility infrastructure placements, and utility relocations to existing facilities by February 2008, at which time vertical construction will commence. All vertical construction is scheduled to be completed and occupied at the end of 2009 with the renovated spaces of existing facilities to be completed in the spring of 2010.

The budget for Phase 2B at the Stockade is \$117,000,000; construction of which is to commence at the completion of Phase 2A. In order to proceed with the design of this Phase to support this timing, \$10,000,000 is required prior to 2010 and is being required as part of the first portion of funding. Together \$143,000,000 is required for the JEP2 at this time.

Of the \$22,000,000 for the PFDP/OSC and the \$143,000,000 for JEP2, a total of \$20,000,000 (\$.6 for PFDP/OSC and \$19.4M for JEP2A) is required by October 1, 2007 to continue forward with these approved projects and will provide funding until February, 2008 when the remainder of the funding for the PFDP and JEP 2A will be required.

The County plans to issue public improvement revenue bonds secured by legally available non-ad valorem revenues in February, 2008 to payoff the bond anticipation note plus accrued interest and fund the projects.

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**Resolution No. R2007-\_\_\_\_\_**

**PALM BEACH COUNTY, FLORIDA**

**PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2008**

**BOND RESOLUTION**

**Adopted July 24, 2007**

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**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF PUBLIC IMPROVEMENT REVENUE BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE HUNDRED SEVENTY MILLION DOLLARS (\$170,000,000) FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, RENOVATION, CONSTRUCTION AND EQUIPPING OF ADDITIONAL CRIMINAL JUSTICE AND PUBLIC IMPROVEMENT FACILITIES AND ALL OTHER COSTS NECESSARY OR INCIDENTAL THERETO; PROVIDING FOR THE TERMS AND PAYMENT OF SUCH BONDS; AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES; PROVIDING FOR THE RIGHTS, SECURITY AND REMEDIES OF THE HOLDERS THEREOF, MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AUTHORIZING THE PROPER OFFICIALS OF PALM BEACH COUNTY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Palm Beach County, Florida, a political subdivision of the State of Florida (the "County"), is authorized by Chapters 125 and 166 of the Florida Statutes and other applicable provisions of law to incur indebtedness of the County for the purpose of financing the costs of acquisition, renovation, construction and equipping of additional criminal justice and public improvement facilities and all other costs necessary or incidental thereto (as more fully described in Exhibit A, attached hereto and by this reference incorporated herein, the "Project"); and

**WHEREAS**, the County may issue its indebtedness in the form of revenue bonds payable from lawfully available Non-Ad Valorem Revenues (as defined herein) budgeted and appropriated therefor in each year in accordance with the Act (as defined herein); and

**WHEREAS**, in anticipation of the issuance of bonds the County may issue bond anticipation notes; and

**WHEREAS**, as additional security for the payment of the principal of and interest on the Bonds (as defined herein), the County may cause to be delivered a letter of credit, guaranty, surety bond or other agreement (the "Credit Facility") pursuant to which the Credit Facility Issuer (as defined

herein) will agree to make available funds for the timely payment of the principal of and interest on all or a portion of the Bonds; and

**WHEREAS**, the Board of County Commissioners of Palm Beach County, Florida (the "Governing Body"), hereby finds it necessary and in the best interest of the County to authorize the issuance of not exceeding in initial aggregate principal amount of \$170,000,000 Palm Beach County, Florida, Public Improvement Revenue Bonds, to be issued in one or more series (the "Bonds") for the purpose of financing the cost of acquiring, renovating, constructing and equipping the Project and all costs necessary or incidental thereto, and to pay the costs of issuance of such Bonds, and if deemed necessary, to fund a reserve and the costs of a Credit Facility; and

**WHEREAS**, in order to expedite the financing of certain aspects of the Project, pursuant to Section 215.431 of the Florida Statutes, the governing body hereby authorizes the issuance of bond anticipation notes in anticipation of the issuance of the Bonds; and

**WHEREAS**, County Resolution R-90-938, as amended adopted June 26, 1990, provides that before the County shall issue any indebtedness payable from Non-Ad Valorem Revenues, the County must demonstrate that after the proposed issuance of such indebtedness, it shall meet the requirements set forth in Article III, Section 11(d) of the said Resolution R-90-938; and

**WHEREAS**, the Bonds authorized under this Resolution will meet the test provided under said Resolution R-90-938.

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

**ARTICLE I**  
**DEFINITIONS AND STATUTORY AUTHORITY**

**SECTION 1. DEFINITIONS.** Unless the context indicates otherwise all terms used in this Resolution shall have the following meanings:

**“ACCRUED AGGREGATE DEBT SERVICE”** shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service with respect to all series of the Bonds, calculating the accrued Debt Service with respect to each series at an amount equal to the sum of (i) interest on the Bonds of such series accrued and unpaid and to accrue to the date of calculation, and (ii) principal payments due and unpaid and that portion of the principal for such series next due which would have accrued (if deemed to accrue in the manner set forth in the definition of Debt Service) to the end of such period.

**“ACT”** shall mean the Constitution and laws of the State of Florida, including particularly, Chapters 125 and 166 of the Florida Statutes, the County Charter and other applicable provisions of law.

**“ALTERNATE CREDIT FACILITY”** shall mean the Alternate Credit Facility issued pursuant to Article VIII, Section 2 of the Resolution.

**“AUTHORIZED DENOMINATIONS”** shall mean denominations of \$5,000 or any integral multiple thereof.

**“BOND ANTICIPATION NOTES”** shall mean bond anticipation notes issued in anticipation of the Bonds authorized pursuant to Section 215.431 of the Florida Statutes and this Resolution.

**“BOND COUNSEL”** shall mean a firm or firms of nationally recognized attorneys-at-law selected by the County and experienced in the financing of capital projects for governmental units through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103(a) of the Code.

**“BONDHOLDER” OR “HOLDER OF BONDS” OR “OWNER”** or any similar term, shall mean any person who shall be the registered owner of any Bond or Bonds Outstanding.

**“BOND INSURANCE POLICY”** shall mean a municipal bond insurance policy, issued by a Bond Insurer that guarantees payment of principal of and interest on the Bonds.

**“BOND INSURER”** shall mean the provider of a Bond Insurance Policy for the Bonds.

**“BONDS”** shall mean the “Palm Beach County Public Improvement Revenue Bonds,” or any series thereof, and any additional Bonds, or any series thereof, issued for the purpose of financing the costs of the acquisition, renovation, construction and equipping of additional criminal justice and public improvement facilities and all other costs necessary or incidental thereto; provided that the total aggregate principal amount of Bonds Outstanding shall not exceed \$170,000,000.

**“BOOK-ENTRY SYSTEM”** shall mean the system under which the County may issue its Bonds and maintain the registration for such Bonds in book-entry only form.

**“BUSINESS DAY”** shall mean any day, except a Saturday or Sunday, on which commercial banks located in New York, New York, and the cities in which the principal offices of the Registrar, the Paying Agent, and the Credit Facility Issuer in the United States of America, if any, are located are not required or authorized by law to remain closed and on which the New York Stock Exchange is not



closed.

**"CHIEF FINANCIAL OFFICER"** shall mean the Clerk of the Board of County Commissioners of the County or her deputy acting in her name, or such other officer of the County subsequently designated by law or County Charter to perform the duties of the chief financial officer of the County.

**"CODE"** shall mean the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include, if applicable, temporary or proposed regulations, revenue rulings and proclamations issued or amended with respect thereto, and any rules and regulations promulgated under the Internal Revenue Code of 1954, as amended, by the Treasury Department or Internal Revenue Service of the United States.

**"COST" OR "COST OF THE PROJECT"** with respect to the Project, shall mean the County's costs properly attributable to the construction, improvement, extension or acquisition thereof, including, but not limited to, the cost of acquisition by or for the County of real or personal property or other interest therein, costs of physical construction, and costs of the County incidental to such construction or acquisition, the cost of any indemnity and surety bonds and premiums on allowed insurance during construction for on-site or off-site improvements, interest on the Bonds prior to, during and for not exceeding one year after the completion of the Project, engineering, architectural and project management expenses, legal fees and expenses, costs of audits, fees and expenses of the fiduciaries and financial consultants and costs of financing, administrative and general overhead, including premiums on insurance on or costs of Credit Facilities for the Bonds and keeping accounts and making reports required by the Resolution prior to commencement of operation of such Project, amounts, if any, required by the Resolution to be paid into any Fund or Account established under the Resolution upon the issuance of any series, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the County (other than the Bonds) incurred for such Project

including, without limitation, all indebtedness to the Sunshine State Finance Commission incurred for the Project, costs of machinery, equipment and supplies (including reimbursement to the County for any such items of Cost theretofore paid by or on behalf of the County), cost of capital improvements to leases, and such other expenses as may be necessary for or incidental to the construction of the Project or incurred by the County in connection with the issuance of the Bonds, including Costs of Issuance.

**“COSTS OF ISSUANCE”** shall mean the County’s costs incurred by the County in connection with the issuance of the Bonds including but not limited to all legal fees, accounting costs and premiums on insurance on or costs of Credit Facilities for the Bonds.

**“COUNTY”** shall mean Palm Beach County, a political subdivision of the State of Florida.

**“COUNTY MONEYS”** shall mean the moneys budgeted and appropriated by the County, and deposited into the Sinking Fund or any other Fund established under this Resolution, from Non-Ad Valorem Revenues pursuant to the County’s covenant to budget and appropriate Non-Ad Valorem Revenues.

**“CREDIT FACILITY”** shall mean an irrevocable transferable letter of credit, guaranty, municipal bond insurance, surety bond or other agreement delivered to the Paying Agent, as the case may be, pursuant to Section 2 of Article VIII hereof and meeting the requirements of this Resolution.

**“CREDIT FACILITY AGREEMENT”** shall mean an agreement between the County and the Credit Facility Issuer pursuant to which the Credit Facility is issued.

**“CREDIT FACILITY ISSUER”** shall mean the issuer of any Credit Facility delivered to the Paying Agent in accordance with the terms of this Resolution.

**“DATE OF ISSUE”** shall mean the date of any series of Bonds are first authenticated and delivered pursuant to this Resolution.

**“DEBT SERVICE”** for any period shall mean, as of any date of calculation and with respect to any series of Bonds, an amount equal to the sum of (i) interest accruing during such period on Bonds of such series, except to the extent that such interest is to be paid from deposits made from Bond proceeds into the Principal and Interest Account in the Sinking Fund and (ii) that portion of each principal payment for such series which would accrue during such period if such principal payment were deemed to accrue daily in equal amounts from the next preceding principal payment due date for such series (or, if there shall be no such preceding principal payment, from a date one year preceding the due date of such principal payment or from the Date of Issue of the Bonds of such series, whichever date is later). Such interest and principal payments for such series shall be calculated on the assumption that no Bonds of such series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each principal payment on the due date thereof.

**“DEBT SERVICE RESERVE REQUIREMENT”** shall mean an amount required to be on deposit in the Reserve Account created and established under this Resolution, which amount shall equal the lesser of (a) ten percent of the proceeds of the Bonds (within the meaning of the Code), (b) one hundred twenty-five percent (125%) of the average annual Debt Service on all series of Bonds Outstanding due in the current Fiscal Year or any future Fiscal Year or (c) the maximum annual aggregate Debt Service on all series of Bonds Outstanding for the then current Fiscal Year or any future Fiscal Year. Such Debt Service Reserve Requirement may be satisfied by obtaining a Reserve Account Credit Facility.

**“DEFEASANCE OBLIGATIONS”** shall mean:

(a) U. S. Obligations which are not callable prior to maturity;

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, (iii) which are rated AAA by S&P or Aaa by Moody's, and (iv) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate; and

(c) evidences of ownership of proportionate interests in future interest and principal payments on obligations described in (a) held by a bank or trust company as custodian; provided, however, the securities that meet the foregoing requirements shall be limited exclusively to "CATS", "TIGRS", "STRPS" and any other security acceptable to the Bond Insurer.

**"DEPOSITORY"** shall mean a bank or trust company selected by the County to hold in trust

and disburse the moneys on deposit in the funds and accounts under the Resolution.

**“EVENT OF DEFAULT”** as used herein shall have the meaning specified in Article VI, Section 1 hereof.

**“FISCAL YEAR”** shall mean that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law.

**“GOVERNING BODY”** shall mean the Board of County Commissioners of Palm Beach County, Florida.

**“GOVERNMENT OBLIGATIONS”** shall mean obligations described in paragraph (a) of the definition of “Investment Obligations” herein.

**“INFRASTRUCTURE SURTAX”** shall mean a tax imposed by the Governing Body pursuant to the requirements of Section 212.055(2) of the Florida Statutes.

**“INTEREST PAYMENT DATES”** shall mean with respect to the Bonds such dates as established pursuant to the Bond Purchase Contract for payment of principal and interest on the Bonds, provided that such Interest Payment Dates shall be the same for all Bonds.

**“INVESTMENT OBLIGATIONS”** shall mean any of the following obligations or securities, to the extent permitted by law:

(a) United States Treasury notes, bonds, bills, or certificates of indebtedness, the timely payment of principal of and interest on which is fully and unconditionally guaranteed by the full faith and credit of the United States of America.

(b) Obligations issued by the Federal Home Loan Bank, direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; debentures of the Federal Housing Administration; guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Corporation; guaranteed Title XI financing of the U. S. Maritime Administration; mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association; and participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation.

(c) Any bonds, notes or other evidences of indebtedness issued by any State, city, county, public district or authority or any other entity, interest on which is exempt from Federal income tax under Section 103(a) of the Code (or the predecessor Internal Revenue Code of 1954, as amended), provided that such bonds, notes or evidences of indebtedness shall be rated "A3" or better by Moody's and "A-" or better by S&P.

(d) Any repurchase agreement that is with a bank or trust company or financial institution that has a short-term rating not lower than the second highest generic rating category and a long-term rating not lower than the second highest generic rating category by either Moody's or S&P and combined capital, surplus and undivided profits not less than \$100,000,000 or with government dealers (any such government dealer must be a member of Securities Investor Protection Corporation), for Government Obligations having on the date of the repurchase agreement and on the first day of every month thereafter a fair market value equal to at least 103% of the amount of the repurchase obligation of the bank or trust company or financial institution or governmental dealer; provided, however, that (i) the repurchase obligation of the bank or trust company or financial institution or government dealer is collateralized by such Government Obligations themselves, (ii) such Government Obligations purchased must be transferred to the Depository or a third party agent by physical delivery or by an entry made on the records of the issuer of such Government Obligations and such Depository

or third party agent and segregated from securities owned generally by the bank or trust company or financial institution or government dealer, (iii) a perfected security interest under the Uniform Commercial Code of the state in which the securities are located or book entry procedures published in 31 C.F.R. Section 306.1 et seq. or 31 C.F.R. Section 350.0 et seq. which perfected security interest in such securities is created for the benefit of the owners of the Bonds, and (iv) if the repurchase agreement is with the bank serving as Paying Agent or any related party, the third party holding such investments holds them as agent for the benefit of the owners of the Bonds rather than as agent for the bank serving as Paying Agent or any other party and the investments be evaluated no less frequently than weekly to determine if their fair market value equals or exceeds the required 103% level, and if upon such valuation the fair market value is found to be deficient, then the bank shall have no more than two (2) Business Days to pledge additional Government Obligations authorized hereunder for such repurchase agreement so as to satisfy such requirement or the third party holding the investments must be required to liquidate the collateral and disburse the proceeds to the County, provided further, that (i) any such repurchase agreement shall be held free and clear of any lien by the Paying Agent, (ii) the repurchase agreement shall have a term of thirty (30) days or less, and (iii) the repurchase agreement matures at least ten (10) days (or other appropriate liquidation period) prior to a debt service payment date.

(e) Investment agreements with a banking institution or insurance company which has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated by at least two (2) nationally recognized rating services in any one (1) of the two (2) highest classifications approved by the Comptroller of the Currency for the investment of funds of national banks, provided that (i) interest is paid at least semiannually at a fixed rate during the entire term of the agreement, consistent with bond payment dates, (ii) moneys invested thereunder may be withdrawn without any penalty, premium, or charge upon not more than two day's notice (provided such notice may be amended or cancelled at any time prior to the withdrawal date), (iii) the agreement is not subordinated to any other obligations of such insurance company or bank or holding company, (iv) the same

guaranteed interest rate will be paid on any future deposits made under the agreement, and (v) the County receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company or bank or holding company.

(f) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to State law as legal depository of public moneys.

(g) Any other investment authorized under the laws of the State of Florida and approved by the Credit Facility Issuer, if any.

**“LETTER OF CREDIT”** shall mean any Credit Facility consisting of an unconditional, irrevocable letter of credit issued by a financial institution.

**“MAXIMUM DEBT SERVICE”** shall mean, at any time, the maximum amount required in the then current or any future Fiscal Year to pay (a) all Non-Self-Supporting Debt, and (b) the proposed indebtedness of the County (i) which will be payable from Non-Ad Valorem Revenues, or (ii) for which the Non-Ad Valorem Revenues will be pledged or the purposes hereof, the interest rate on obligations bearing a variable rate shall be calculated at the higher of (a) twelve per centum (12%) per annum or, (b) the average yield to par call for the Bond Buyer Municipal Bond Index (the “Bond Buyer 40”) on the date of calculation.

**“MAXIMUM INTEREST RATE”** shall mean the maximum interest rate allowable by applicable law.

**“MOODY’S”** shall mean Moody’s Investors Service, Inc., a corporation organized and



existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by notice to the Registrar and the Paying Agent.

**"NON-AD VALOREM REVENUES"** shall mean legally available revenues of the County derived from any source whatever, other than ad valorem taxation on real and personal property, which are legally available for payment by the County of debt service on the Bonds, and after the payment from the sources of Non-Ad Valorem Revenues pledged thereto of the principal of and interest on any obligations of the County hereafter issued which have a prior pledge on any source of the Non-Ad Valorem Revenues; provided, however, that for the purposes of the additional bond test set forth in Article III, Section 10(e) of this Resolution, "Non-Ad Valorem Revenues" shall mean all legally available revenues of the County derived from any source whatever, other than ad valorem taxation on real and personal property, which are legally available for payment by the County of Non-Self-Supporting Debt.

**"NON-SELF-SUPPORTING DEBT"** shall mean debt service on debt obligations of the County other than debt obligations relating to an enterprise fund or general obligation bonds of the County.

**"OPINION OF BOND COUNSEL"** shall mean an opinion signed by Bond Counsel.

**"OUTSTANDING"** when used as of any particular time with reference to the Bonds, shall mean all Bonds theretofore authenticated and delivered by the Registrar under this Resolution except:

- (a) Bonds theretofore cancelled by the Registrar or surrendered to the Registrar

for cancellation;

(b) Bonds for the payment or redemption of which money or securities in the necessary amount (as provided in Article V hereof) shall have heretofore been deposited with the Paying Agent or other financial institution or bank selected by the County (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article II, Section 5 or provision satisfactory to the Paying Agent or other financial institution or bank selected by the County shall have been made for the giving of such notice; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to the terms of Article II, Section 10 hereof.

**"PAYING AGENT"** shall mean the commercial bank or trust company appointed by the County to act as Paying Agent hereunder.

**"PLEDGED REVENUES"** shall mean (a) County Moneys, (b) Specific Security, if any, pledged to the payment of the Bonds, (c) any proceeds of Bonds originally deposited with the County and all moneys deposited and held from time to time by the County in the funds and accounts established under this Resolution in each case until applied in accordance with this Resolution, (d) investment income received by the County in the funds and accounts established under this Resolution, and (e) any other moneys received by the Paying Agent in connection with repayment of the Bonds.

**"PROJECT"** shall mean the Project described in Exhibit A attached hereto and by this reference incorporated herein, and facilities and improvements necessary and appurtenant thereto both on-site and off-site, as modified from time to time in accordance with the provisions hereof. The Project established on the Date of Issue may not be changed or substituted in any way that would

cause a material change in the purpose for which the Bonds were issued or adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes unless prior to such material change or substitution the County receives an Opinion of Bond Counsel to the effect that such material change or substitution will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for Federal income tax purposes.

**“RATING AGENCY”** shall mean Moody’s and/or S&P, whichever shall have a rating then in effect with respect to the Bonds.

**“RECORD DATE”** shall mean the fifteenth day of the calendar month next preceding any Interest Payment Date; provided, however, that if such day is not a Business Day then the next preceding Business Day.

**“REGISTRAR”** shall mean the bank or trust company and any successor bank or trust company, appointed by the County to act as Registrar hereunder.

**“REPLACEMENT BONDS”** for the purpose of the Book-Entry System shall mean certificated Bonds, authenticated and delivered pursuant to the terms and provisions of this Resolution when the County or the Securities Depository discontinues the Book-Entry System.

**“RESERVE ACCOUNT CREDIT FACILITY”** shall mean the insurance policy, surety bond or other evidence of insurance acceptable to the County and the Credit Facility Issuer, if any, or Letter of Credit, acceptable to the County and the Credit Facility Issuer, if any, deposited in the Debt Service Reserve Account in lieu of or in partial substitution for cash or securities on deposit therein as provided in Article III, Section 7 hereof.

**“RESERVE ACCOUNT CREDIT FACILITY ISSUER”** shall mean the issuer of any

Reserve Account Credit Facility delivered to the Paying Agent in accordance with the terms of this Resolution.

**“RESOLUTION”** shall mean this Resolution as the same may from time to time be amended and supplemented in accordance with the terms hereof.

**“SECURITIES DEPOSITORY”** shall mean, with respect to any series of Bonds to be issued in book entry form, The Depository Trust Company and its successors and assigns, or a successor clearing agency designated pursuant to the terms and provisions of this Resolution and its successors and assigns.

**“S&P”** shall mean Standard & Poor’s Rating Services, a division of McGraw Hill Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County by notice to the Registrar And the Paying Agent.

**“SPECIFIC SECURITY”** shall mean any, all, or any combination of, the fees, charges, income and revenues received by the County from any source of Non-Ad Valorem Revenues lawfully available to the County for payment of principal and interest on the Bonds, including revenues from the Infrastructure Surtax (if enacted), by which the County may, subject to the prior receipt of an Opinion of Bond Counsel or the County Attorney that such source of moneys are legally available to be pledged as security for the Bonds, elect by subsequent proceedings of the Governing Body to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds.

**“TAX CERTIFICATE”** shall mean the certificate as to arbitrage and instructions as to

compliance with provisions of Section 103(a) of the Code executed by the County on the date of initial issuance and delivery of each series of Bonds, as such Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code.

**“WRITTEN CONSENT,” “WRITTEN DEMAND,” “WRITTEN DIRECTION,” “WRITTEN ELECTION,” “WRITTEN NOTICE,” “WRITTEN ORDER” AND “WRITTEN REQUEST” OF THE COUNTY** shall mean, respectively, a written consent, demand, direction, election, notice, order or request signed on behalf of the Governing Board by its Chief Financial Officer, Chairperson or Vice Chair.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

**SECTION 2. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the Act.

**SECTION 3. RESOLUTION CONSTITUTES CONTRACT.** In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the County and such Owners, and the covenants and agreements herein set forth to be performed by said County shall be for the equal benefit, protection and security of the Owners of any and all of such Bonds, all of which shall be of equal rank and without preference, priority, or distinction of any of the Bonds over any other thereof except as expressly provided therein and herein.

**ARTICLE II**  
**AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS**

**SECTION 1. AUTHORIZATION OF BONDS.** Subject and pursuant to the provisions of this Resolution, obligations of the County to be known as "Public Improvement Revenue Bonds" are hereby authorized to be issued in one or more Series in the initial aggregate principal amount (initial principal amount in the case of capital appreciation bonds or the price to the public in the case of zero coupon or discount bonds) of not exceeding One Hundred Seventy Million Dollars (\$170,000,000) for the purpose of financing the costs of acquiring and constructing all or a portion of the Project, and to pay the Costs of the Project, as provided in this Resolution. The Bonds authorized by this Resolution may be issued all at one time or in part, from time to time, as the Governing Body may in its discretion hereafter determine by subsequent resolution. Each Series of Bonds shall be designated as, and shall be distinguishable from the Bonds of all other Series by such means as, the County deems appropriate.

In anticipation of the issuance of the Bonds, Bond Anticipation Notes are authorized to be issued in one or more Series in an amount not to exceed \$170,000,000.

**SECTION 2. INTEREST ON BONDS.** The Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for (unless no interest has been paid or duly provided for, in which case from the original date of the Bonds) until payment of the principal thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. Interest accrued on the Bonds shall be computed on the basis of a 360-day year, consisting of twelve (12) thirty (30) day months. Interest shall be payable as provided herein on each Interest Payment Date.

### **SECTION 3. MANNER OF PAYMENT OF BONDS.**

(a) Principal of and redemption premium, if any, on the Bonds shall be payable to the Owners of the Bonds upon presentation and surrender of the Bonds as they become due at the principal office of the Paying Agent. Except as otherwise set forth below, interest on the Bonds shall be payable (i) by check drawn upon the Paying Agent and mailed on the Interest Payment Date to the owners of the Bonds as of the close of business on the Record Date next preceding each Interest Payment Date at the registered addresses of such Owners as they shall appear on the registration books notwithstanding the cancellation of any Bond upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date, (ii) upon the request of a registered Bondholder of at least \$1,000,000 in principal amount of Bonds, all payment of principal, premium, and interest on its Bonds shall be paid by wire transfer in immediately available funds to an account designated by such registered Bondholder and (iii) in the case of interest payable upon certain redemptions, upon presentation of the Bonds at the principal office of the Paying Agent.

(b) If and to the extent that there shall be a default in the payment of the interest due on an Interest Payment Date, such defaulted interest shall be paid to the Owners in whose name the Bonds (or any Bond or Bonds issued upon transfer or exchange thereof) are registered at the close of business on the fifth Business Day next preceding the date of payment of such defaulted interest. All payments of principal, redemption premium, and interest shall be made in such coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

(c) The foregoing notwithstanding, any series of the Bonds may be issued in book entry form or issued in such manner as required for immobilization with a depository for book entry distribution, as provided by subsequent resolution of the Governing Body.

**SECTION 4. DESCRIPTION OF BONDS.** The Bonds shall be issued in the form of fully registered Bonds; shall be dated as specified in the proceedings authorizing the Bonds; shall bear interest from such date as calculated herein at a rate not exceeding the Maximum Interest Rate; shall be lettered and shall be numbered in such manner as may be prescribed by the Registrar; and shall be in the Authorized Denominations.

Notwithstanding the foregoing, the Bonds may be issued as serial bonds or term bonds, may bear a variable rate of interest or accrue interest as zero coupon bonds or capital appreciation bonds, as specified in the proceedings authorizing the particular Series of Bonds.

The Bonds of each Series shall be subject to redemption prior to maturity as determined by the resolution of the Governing Body authorizing such Series.

**SECTION 5. NOTICE OF REDEMPTION.** (a) In the event any of the Bonds are called for redemption, the Paying Agent shall give notice, in the name of the County, of the redemption of such Bonds, which notice shall (i) specify the Bonds, including series designation, to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Bonds redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable, which shall be the designated corporate trust office of the Paying Agent or of its agent, including the name and telephone number of a representative of such Paying Agent and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of Bonds, so to be redeemed, and (ii) state that on the redemption date, the Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the County by mailing a copy of an official redemption notice to the Owners of the Bonds not less than 30 days nor more than 60 days prior to the date fixed for redemption to (i) the respective Owners of the Bonds designated for redemption by first class mail at their addresses appearing on the bond registration books of the County, (ii) the securities depositories that are registered holders of the Bonds, (iii) two nationally recognized information services and (iv) to the Bondholders of \$1,000,000 or more in aggregate



principal amount (accrued values at maturity for zero coupon bonds) of Bonds; provided, however, that such notice with respect to those Bondholders described in (ii), (iii) and (iv), shall be given by certified mail, return receipt requested. Notice of redemption to the securities depositories shall be given by certified mail in sufficient time so that they are received at least two days before the general publication date.

A second notice of redemption shall be given within 60 days after the redemption date in the manner required above to the registered Bondholders of redeemed Bonds which have not been presented for payment within 30 days after the redemption date. However, failure to give such notice shall not affect the validity of the redemption of the Bonds.

If any of the Bonds are redeemed pursuant to an advance refunding, notice of such advance refunding and redemption shall be given in the same manner as above provided.

Anything contained in this Resolution to the contrary notwithstanding, failure to mail any such notice (or any defect therein) to one or more Bondholders shall not affect the validity of any proceedings for such redemption with respect to Bondholders to which notice was duly mailed hereunder.

(b) The giving of any notice of redemption described in subparagraph (a) above, other than for mandatory sinking fund redemptions and for Bonds that are the subject of an advance refunding, shall be conditioned upon deposit by the County of the redemption price of the Bonds to be redeemed in accordance with Section 6 of this Article at or before the giving of notice.

(c) Any Bonds which have been duly selected for redemption as well as any Bonds which are deemed to be paid in accordance with Article V hereof shall cease to bear interest on the specified redemption date.

**SECTION 6. PAYMENT OF REDEMPTION PRICE.** For the redemption of any of the Bonds, the County shall cause to be deposited in the Redemption Account in the Sinking Fund an amount sufficient to pay the principal of Bonds to be redeemed and interest to become due on the date fixed for such redemption, plus premium if any.

**SECTION 7. EXECUTION OF BONDS.** The Bonds shall be executed in the name of the County by the signature of the Chairman of the Governing Body and its official seal shall be affixed thereto or imprinted or reproduced thereon and attested by the Clerk of the Circuit Court of the County, Ex-Officio Clerk of the Board of County Commissioners of the County (the "Clerk"). The signatures of said Chairman and the Clerk on the Bonds may be manual or facsimile signatures. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the County before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the County by such person who at the actual time of the execution of such Bond shall hold the proper office, although at the date such Bonds shall be actually delivered such person may not have held such office or may not have been so authorized.

The Bonds shall bear thereon a certificate of authentication, in the form set forth in the form of the Bond attached hereto as Exhibit B, executed manually by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Registrar. Such certificate of the Registrar upon any Bond executed on behalf of the County shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefits of this Resolution.

If any Series of Bonds are validated as directed by the Governing Board, the validation

certificate on the Bonds shall be signed with the manual or facsimile signatures of the present or any future Chairman and Clerk, as aforesaid, and the County may adopt and use for that purpose the facsimile signature of any person who shall have been such Chairman and Clerk at any time on or after the date of the Bonds, notwithstanding that she or he may have ceased to be such Chairman or Clerk at the time when said Bonds shall be actually delivered.

#### **SECTION 8. NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS.**

At the option of the registered Holder thereof and upon surrender thereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney and upon payment by such Holder of any charges which the Registrar may make as provided in this Section, the Bonds may be exchanged for Bonds of the same Series, interest rate and maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by the Holder thereof in person or by his attorney duly authorized in writing only upon the registration books of the County kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name of the transferee a new Bond or Bonds.

The County, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute Holder of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or

transfers shall forthwith be delivered to the Registrar and canceled by the Registrar in the manner provided in this Section. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Record Date to the next succeeding Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a term Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such term Bond so surrendered, a registered term Bond in the appropriate denomination and interest rate.

All Bonds paid or redeemed, either at or before maturity shall be delivered to the Registrar when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the County, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Registrar, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the County and the other executed certificate shall be retained by the Registrar.

The County may, by subsequent proceedings, provide for the registration of the Bonds of any Series by adopting the Book-Entry System for such Series. Bonds held by the Securities Depository while the Bonds are registered under the Book-Entry System shall be registered in the name of the Securities Depository or its nominee and beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the Securities Depository and its Participants.

**SECTION 9. BONDS MUTILATED, DESTROYED, STOLEN OR LOST.** In case any Bond shall become mutilated, or be destroyed, stolen or lost, the County may in its discretion cause to

be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder furnishing the County and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the County and the Registrar may prescribe and paying such expenses as the County and the Registrar may incur. All Bonds so surrendered shall be canceled by the County. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the County may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 9 shall constitute original, additional contractual obligations on the part of the County whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

#### **SECTION 10. PREPARATION OF DEFINITIVE BONDS; TEMPORARY BONDS.**

The text of the Bonds and Certificates of Authentication therefor shall be substantially in the form set forth in Exhibit B attached hereto. Until the definitive Bonds are prepared, the Chairperson of the Governing Body and the Clerk may execute and the Registrar may authenticate, in the same manner as is provided in Section 7 of this Article II, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more printed, lithographed or typewritten temporary fully registered Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. The County, at its own expense, shall prepare and execute and, upon the surrender at the corporate trust office of the Registrar of such temporary Bonds for which no payment or only

partial payment has been provided, for exchange and the cancellation of such surrender temporary Bonds, the Registrar shall authenticate and, without charge to the holder thereof, deliver in exchange therefor, at the principal corporate trust office of the Registrar, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution.

**SECTION 11. BOOK-ENTRY SYSTEM.** (1) As long as any Series of Bonds are registered under the Book-Entry System, the County and the Registrar shall comply with the terms of the agreement entered into with the Securities Depository (the "Book-Entry Agreement") with respect to such Series. However, the Book-Entry System through the Securities Depository may be terminated upon the happening of any of the following:

- (a) The Securities Depository or the County, based upon advice from the Securities Depository, advise the Registrar that the Securities Depository is no longer willing or able to properly discharge its responsibilities under the Book-Entry Agreement and the Registrar and the County are unable to locate a qualified successor clearing agency satisfactory to the Registrar and the County; or
- (b) The County, in its sole discretion but with the prior written consent of the Registrar, elects to terminate the Book-Entry System by notice to the Securities Depository, the Registrar and the Credit Facility Issuer, if any.

(2) Upon the occurrence of any event described above, the County and the Registrar shall, if necessary, enter into a resolution supplemental to this Resolution to add to the provisions of this Resolution any provisions deemed reasonably necessary or required by the Registrar, and approved in writing by the Credit Facility Issuer, if any, with respect to Replacement Bonds (including, but not limited to, the provision for the cost and expenses for the printing thereof) and to account for the fact that, thereafter, the Bonds will no longer be registered under the Book-Entry System, and (ii) the Registrar shall notify the Securities Depository and the Credit Facility Issuer, if any, of the occurrence of such event and of the availability of definitive or temporary Replacement Bonds to

Beneficial Owners requesting the same, in an aggregate Outstanding amount representing the interest of each such Beneficial Owner, making such adjustments and allowances as it may find necessary or appropriate as to accrued interest and previous payments of principal. Definitive Replacement Bonds shall be issued only upon surrender to the Registrar of the Bond of each maturity by the Securities Depository, accompanied by registration instructions for the definitive Replacement Bonds for such maturity from the Securities Depository. Neither the County nor the Registrar shall be liable for any delay in delivery of such instructions and conclusively may rely on, and shall be protected in relying on, such instructions.

(3) Whenever the Bonds are registered under the Book- Entry System and notice or other communication to the Bondholders is required under this Resolution, unless and until Replacement Bonds shall have been issued with respect to the Bonds, the County or the Registrar, as the case may be, shall give to the Securities Depository one copy of each such notice and communication specified herein or required by this Resolution to be given to the Beneficial Owners of the Bonds.

### **ARTICLE III**

#### **FUNDS AND APPLICATION THEREOF, SECURITY AND COVENANTS**

**SECTION 1. BONDS SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY.** The Bonds are special obligations of the County and are payable solely in the manner and to the extent set forth in this Resolution. There are hereby pledged for the payment of the principal of, and premium if any, and interest on, the Bonds in accordance with the terms and the provisions of the Resolution, the Pledged Revenues. The Bonds shall not be or constitute general obligations of the County within the meaning of the Constitution of the State of Florida but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues in the manner and to the extent provided in this Resolution. No Bondholder shall ever have the right to compel the exercise of the ad valorem taxing power of the County or taxation in any form on any real or personal property to pay such Bonds or the

interest thereon, nor shall any Bondholder be entitled to payment of such principal or interest from any other funds of the County other than as provided in this Resolution. Furthermore, no Bondholder shall ever have a lien on the Project or any other real or personal property of the County, except for the Pledged Revenues. The Reserve Account Credit Facility Issuer shall also have a lien upon and a pledge of the Pledged Revenues but such lien and pledge is subject and subordinate to, in all respects, the lien upon and pledge of the Pledged Revenues in favor of the Bondholders.

**SECTION 2. COVENANT TO BUDGET AND APPROPRIATE.** Until the Bonds are no longer Outstanding pursuant to the provisions of this Resolution, the County hereby covenants to appropriate in its annual budget in each Fiscal Year, by amendment if necessary, Non-Ad Valorem Revenues in amounts sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, as the same become due (whether by redemption, at maturity or otherwise), and to restore any deficiency in the Debt Service Reserve Account or any other fund or account created and established hereunder for the Bonds. Notwithstanding the foregoing covenant of the County, the County has not covenanted to maintain any services or programs, now provided or maintained by the County, which generate Non-Ad Valorem Revenues other than such services or programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the County.

The payment of principal of and interest on the Bonds may, in addition to the Pledged Revenues herein described, be secured by a Credit Facility.

To the extent that the County is in compliance with the covenant contained above and Sections 11(d) and 11(e) of Article III, this Resolution and the obligations of the County contained herein shall not be construed as a limitation on the ability of the County to pledge or covenant with respect to the Non-Ad Valorem Revenues for other indebtedness or other legally permissible purposes.

Such covenant to budget and appropriate Non-Ad Valorem Revenues is not a pledge by the County of such Non-Ad Valorem Revenues and is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into, including the payment of debt service on bonds or other obligations. Such covenant to budget



and appropriate is subject to the provisions of Section 129.07, Florida Statutes, which makes it unlawful for the County to expend moneys not appropriated and in excess of the County's current budgeted revenues. Such covenant does not require the County to levy and collect any particular source of Non-Ad Valorem Revenues nor to maintain or increase any regulatory fees or user charges with respect to any particular source of Non-Ad Valorem Revenues. Such covenant does not give the Paying Agent a prior claim on such Non-Ad Valorem Revenues as opposed to claims of general creditors of the County until such time as a deposit of such Non-Ad Valorem Revenues is made into the Sinking Fund or other fund hereunder for the purposes of this Article.

**SECTION 3. ESTABLISHMENT OF FUNDS AND ACCOUNTS .** There are hereby created and established with the County the following Funds: (1) Sinking Fund (the "Sinking Fund"), and (2) Construction Fund (the "Construction Fund"). Within the Sinking Fund there shall be created the following separate accounts: (1) a Principal and Interest Account (the "Principal and Interest Account"), (2) a Bond Redemption Account (the "Bond Redemption Account"), and (3) a Debt Service Reserve Account (the "Debt Service Reserve Account"). The Sinking Fund and the Construction Fund, and all accounts and subaccounts therein shall constitute trust funds for the purposes hereof.

**SECTION 4. APPLICATION OF BOND PROCEEDS.** The proceeds received upon issuance of the Bonds shall be deposited into the various funds and accounts created and established for the Bonds as follows:

(a) The accrued interest, if any, derived from the sale of the Bonds shall be deposited into the Principal and Interest Account of the Sinking Fund and used for the purpose of paying a part of the first interest payment on the Bonds as the same becomes due and payable.

(b) An amount, if any, determined by subsequent resolution of the Governing Body of

the County shall be deposited into the Principal and Interest Account in the Sinking Fund for the payment of interest on the Bonds during construction.

(c) An amount equal to all or a portion of the Debt Service Reserve Requirement, shall be deposited in the Debt Service Reserve Account of the Sinking Fund. If less than the Debt Service Revenue Requirement is satisfied from the proceeds of the Bonds on the Date of Issue, the balance of such requirement shall be satisfied by the deposit of a Reserve Account Credit Facility with the Paying Agent with the requisite coverage.

(d) The remaining proceeds of the Bonds shall be deposited in the Construction Fund to fund the Cost of the Project, as hereinafter provided.

#### **SECTION 5. APPLICATION OF REVENUES.**

(a) On or before 12:00 Noon on the last Business Day prior to each Interest Payment Date, the County shall deposit into the Sinking Fund an amount of Non-Ad Valorem Revenues (which at the time of such deposit become "Pledged Revenues") at least equal to the Accrued Aggregate Debt Service calculated to such Interest Payment Date and any amounts necessary to satisfy any deficiency in the Debt Service Reserve Account or reinstatement of the Reserve Account Credit Facility.

(b) As soon as practicable after the deposit of Pledged Revenues in the Sinking Fund, as provided in paragraph (a) above, and in any case no later than the close of business on the Business Day preceding such Interest Payment Date, the County shall credit moneys therein to the following purposes in the following order of priority (such application to be made in such a manner so as to assure sufficient moneys on deposit in such Funds):

- (1) To the Principal and Interest Account, the amount, if any, required so that the balance in said Account shall equal the amount of principal of and interest on the Bonds coming due on the next Interest Payment Date; provided, that, for the purposes of computing the amount to be deposited in the Principal and Interest Account, there shall be taken into account the amount, if any, set aside in said Account from the proceeds of Bonds;
  - (2) To the Redemption Account, the amount, if any, required so that the balance in said Account shall equal the principal of and premium, if any, on the Bonds then coming due by reason of redemption on the next Interest Payment Date;
  - (3) To the Reserve Account Credit Facility Issuer the amount, if any, required to reimburse such Issuer for amounts drawn under the Reserve Account Credit Facility; and
  - (4) To the Debt Service Reserve Account, the amount, if any, required for the amount on deposit in such Account to equal the Debt Service Reserve Requirement.
- (c) In addition, subject to the foregoing, the County shall pay from County Moneys the fees and expenses, at such times as are necessary, of the Paying Agent, the Registrar, the Credit Facility Issuer, if any, and the Reserve Account Credit Facility Issuer, if any, and any other fees and expenses of the County relating to the Bonds.

**SECTION 6. SINKING FUND -- PRINCIPAL AND INTEREST ACCOUNT; REDEMPTION ACCOUNT.** The County shall pay out of the Principal and Interest Account to the Paying Agent (i) on or before each Interest Payment Date for any of the Bonds, the amount required for the interest payable on such date; and (ii) on or before the maturity date of each of the Bonds the amount of principal of such Bonds payable on such date. The County shall pay out of the Redemption Account to the Paying Agent on or before any redemption date for the Bonds, the amount required for the payment of principal and any premium on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agent on and after the due dates thereof.

**SECTION 7. SINKING FUND -- DEBT SERVICE RESERVE ACCOUNT.** (a) Amounts in the Debt Service Reserve Account shall be used to make up any deficiency in the Principal

and Interest Account or the Redemption Account on any Interest Payment Date. If, on the last Business Day preceding any Interest Payment Date, the amounts on deposit in the Debt Service Reserve Account shall be less than the Debt Service Reserve Requirement, the County shall apply amounts from Pledged Revenues, available for such purposes hereunder, to the extent necessary to cure the deficiency; provided, however, that no further payments shall be required to be made into the Debt Service Reserve Account whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement (including taking into account any Reserve Account Credit Facilities).

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Debt Service Reserve Account, the County may, with the consent of the Credit Facility Issuer, cause to be deposited into the Debt Service Reserve Account a Reserve Account Credit Facility for the benefit of the Bondholders in an amount equal to the difference between the Debt Service Reserve Requirement, and the sums then on deposit in the Debt Service Reserve Account, if any, which Reserve Account Credit Facility shall be payable or available to be drawn upon, as the case may be (upon the giving of three days notice as required thereunder) on any Interest Payment Date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose and otherwise meet the requirements of this Section. If a disbursement is made under the Reserve Account Credit Facility, the County shall be obligated to either reinstate the maximum limits of such Reserve Account Credit Facility immediately following such disbursement equal to the Debt Service Reserve Requirement, or to deposit into the Debt Service Reserve Account from the Pledged Revenues, available for such purposes hereunder, as herein provided, funds in the amount of the disbursement made under such Reserve Account Credit Facility, or a combination of such alternatives as shall equal the Debt Service Reserve Requirement.

In the event that any moneys shall be withdrawn from the Debt Service Reserve Account for payments into the Principal and Interest Account or Redemption Account such

withdrawals shall be subsequently restored from the first Pledged Revenues, available for such purposes hereunder, after all required payments have been made into the Principal and Interest Account and Redemption Account, including any deficiencies for prior payments, and after reimbursement in full of any sums owed to the Reserve Account Credit Facility Issuer. The foregoing restoration may be satisfied by the reinstatement of the maximum limits of a Reserve Account Credit Facility.

Moneys in the Debt Service Reserve Account shall be used only for the purpose of making payments into the Principal and Interest Account or Redemption Account, when and to the extent the moneys transferred to the Sinking Fund are insufficient for such purpose, provided, however, that moneys in the Debt Service Reserve Account may be invested and reinvested as provided for herein; and provided further, however, that moneys on deposit in the Debt Service Reserve Account may, upon final maturity of the Bonds, be used to pay the principal of and interest on the Bonds.

There shall be initially deposited in the Debt Service Reserve Account from the proceeds derived from the sale of the Bonds an amount equal to the Debt Service Reserve Requirement or in lieu of all or a portion thereof, the Debt Service Reserve Requirement shall be satisfied by the deposit with the Paying Agent of a Reserve Account Credit Facility with the requisite coverage, all as shall be determined by subsequent proceedings of the Governing Body.

Such Reserve Account Credit Facility may take any of the following forms:

- (i) A surety bond, insurance policy or evidence of insurance issued to the entity serving as Paying Agent, as agent of the bondholders, by a company licensed to issue an insurance policy guaranteeing the timely payment of debt service on the Bonds (a "municipal bond insurer") with claims-paying ability rated "AAA" or "Aaa" by S&P or Moody's, respectively.
- (ii) A Letter of Credit issued to the Paying Agent, as agent of the Bondholders, by

a bank rated at least "AA" by S&P or Aa by Moody's, provided the Letter of Credit is satisfactory in form and substance to the Credit Facility Issuer, if any.

(b) The delivery of any Reserve Account Credit Facility pursuant to this Section shall be subject to receipt of an opinion of counsel acceptable to the County and the Credit Facility Issuer and in form and substance satisfactory to the County and the Credit Facility Issuer as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such Reserve Account Credit Facility is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the County and the Credit Facility Issuer, if any. In addition, the use of Letter of Credit shall be subject to receipt of an opinion of counsel acceptable to the County and the Credit Facility Issuer and in form and substance satisfactory to the County and the Credit Facility Issuer to the effect that payments under such Letter of Credit would not constitute avoidable preferences under Section 547 of the U. S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U. S. Bankruptcy Code or similar state laws by or against the County (or any other account party under the Letter of Credit).

(c) If (i) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below a rating of "AAA" by S&P and a rating of "Aaa" by Moody's, or (ii) the rating of the issuer of the Letter of Credit falls below a rating of "AA" by S&P and a rating of "Aa" by Moody's, the County shall either (A) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Account to equal the Debt Service Reserve Requirement on all outstanding Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semiannually, or (B) replace such Reserve Account Credit Facility with a surety bond, insurance policy or Letter of Credit meeting the requirements of a Reserve Account Credit Facility within six months of such occurrence. In the event (i) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy falls below "AA" by S&P and "Aa" by Moody's, or (ii) the rating of the issuer of the Letter of Credit falls below

"A" by Moody's and/or S&P, or (iii) the issuer of the Reserve Account Credit Facility defaults in its payment obligations, or (iv) the issuer of the Reserve Account Credit Facility becomes insolvent, the County shall either (A) deposit into the Debt Service Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Debt Service Reserve Account to be equal to the Debt Service Reserve Requirement on all Outstanding Bonds, such amount to be paid over the ensuing year in equal installments on at least a monthly basis, or (B) replace such instrument with a surety bond, insurance policy or Letter of Credit meeting the requirements for a Reserve Account Credit Facility within six months of such occurrence.

(d) Cash on deposit in the Debt Service Reserve Account shall be used (or Investment Obligations purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Account Credit Facility. If and to the extent that more than one Reserve Account Credit Facility is deposited in the Debt Service Reserve Account, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

(e) Whenever the moneys, cash and Investment Obligations on deposit in the Debt Service Reserve Account shall exceed the Debt Service Reserve Requirement, such excess shall be deposited in the Principal and Interest Account; provided, however, that any excess resulting from the valuation of Investment Obligations shall not be transferred to the Principal and Interest Account until such time as the Investment Obligations are sold or mature. The Investment Obligations in the Debt Service Reserve Account shall be valued at fair market value, exclusive of accrued interest. The County shall determine the value of the Investment Obligations held in the Debt Service Reserve Account five days prior to each Interest Payment Date. Deficiencies resulting from a decline in market value of Investment Obligations on deposit in the Debt Service Reserve Account shall be restored no later than the succeeding valuation date unless required earlier under this Resolution.

#### **SECTION 8. [RESERVED].**

**SECTION 9. CONSTRUCTION FUND.** (1) There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution or any supplemental resolution and there may be paid into the Construction Fund, at the option of the County, any moneys received for or in connection with the Project by the County from any other source, unless required to be otherwise applied.

(2) During the period of construction of the Project, the moneys received pursuant to an insurance claim from insurance maintained against physical loss of or damage to the Project, or of contractors' performance bonds with respect thereto, pertaining to the period of construction thereof shall be paid into the Construction Fund.

(3) Any amounts in the Construction Fund shall be applied by the County to pay the Cost of the Project, and separate accounts may be established in the Construction Fund for any portion of the Project.

(4) Except as set forth in (5) below, before any such application of any amounts in the Construction Fund shall be made, the County shall prepare a requisition, signed by an authorized officer of the County showing with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Construction Fund and evidencing: (a) that obligations in the stated amounts, including any amounts retained by the County in the Construction Fund to be paid at such later date, have been incurred by the County and that each item thereof is a proper charge against the Construction Fund and has not been the basis of any previous requisition; (b) that there has not been filed with or served upon the County notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in such requisition which has not been released or will not be released simultaneously with the payment



of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

(5) To the extent that other moneys are not available therefor in any other fund and account created under this Resolution , amounts in the Construction Fund shall be applied to the payment of the principal of and interest on Bonds when due.

(6) The completion of construction of the Project shall be evidenced by a certificate of the County Engineer, which shall be filed promptly with the County, stating the date of such completion and the amount, if any, required in the opinion of the signer for the payment of any remaining part of the Cost of the Project, and that the Project has been completed in accordance with the plans and specifications applicable thereto. Upon the filing of such certificate, the balance in the Construction Fund (or in any separate account in the Construction Fund established therefor) in excess of the amount, if any, stated in such certificate shall, as directed by the County (i) be deposited in the Debt Service Reserve Account to make up any deficiency therein and, thereafter, in the Principal and Interest Account and applied to the retirement of Bonds by payment, purchase or redemption at the earliest date permissible under the terms of this Resolution, and (ii) be invested at a yield not in excess of the yield on the Bonds. Notwithstanding the foregoing, the County may apply such balance in the Construction Fund to any lawful purpose of the County if the County receives an opinion from Bond Counsel to the effect that such application will not adversely affect the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

(7) During the period of construction of the Project, any earnings from moneys held in the Construction Fund invested pursuant to the requirements of Article IV hereof shall be retained in the Construction Fund or deposited into the Sinking Fund to pay debt service on the Bonds as directed by the Debt Manager.

**SECTION 10. [Reserved] .**

**SECTION 11. COVENANTS OF THE COUNTY.** (a) The County covenants to comply with each applicable requirement of the Code, and any successor provisions thereto, in order to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code. In furtherance of the covenant contained in the preceding sentence, the County agrees to comply with the provisions of the Tax Certificate executed by the County on the date of initial issuance and delivery of the Bonds, as such Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code.

(b) The County shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established under this Resolution and available therefor or from any other legally available source.

(c) Notwithstanding any other provision of this Resolution to the contrary, as long as necessary in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds, including any payment or defeasance thereof pursuant to Article V of this Resolution.

(d) The County shall not take or permit any action or fail to take any action which would cause the Bonds to constitute private activity bonds within the meaning of section 141(a) of the Code, and the County shall not take or permit any action or fail to take any action which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(e) The County covenants that in each Fiscal Year of the County, while the Bonds are Outstanding the total Non-Self-Supporting Debt Service due for the Fiscal Year of the County shall not exceed 50% of Non-Ad Valorem Revenues of the County. Accordingly, in satisfaction of the

foregoing requirement, the County covenants and agrees that it will not issue any indebtedness or incur any indebtedness payable from or supported by a pledge of the Non-Ad Valorem Revenues unless the County can show that following the issuance of or incurrence of such additional indebtedness, (i) the total amount of Non-Ad Valorem Revenues (based on the most recent Fiscal Year) will be greater than 2.00 times the Maximum Debt Service, (ii) the total amount of Non-Ad Valorem Revenues in each Fiscal Year in which Bonds are Outstanding (based on reasonable projections of the County) will be greater than 2.00 times the Non-Self-Supporting Debt in each such Fiscal Year; and (iii) the aggregate principal amount of Non-Self-Supporting Debt bearing a variable interest rate will not exceed twenty-five per cent (25%) of the aggregate principal amount of Non-Self-Supporting Debt.

(f) [Reserved].

(g) The County shall in each Fiscal Year prepare and adopt an annual budget in accordance with the provisions of Section 129 of the Florida Statutes. A copy of such annual budget shall be furnished, as soon as reasonably possible, to the Credit Facility Issuer, if any.

(h) The County shall furnish, as soon as reasonably possible, to the Credit Facility Issuer, if any, and to any Bondholder upon written request, all comprehensive annual financial reports (which shall include but are not limited to all combined statements of revenues, expenditures and changes in fund balances, all changes in retained earnings/fund balance and all combined statements of changes in financial position of the County for such Fiscal Year and a combined balance sheet of the County as of the close of such Fiscal Year, and notes to each, setting forth in comparative form the figures for the previous Fiscal Year (to the extent applicable)), in reasonable detail and accompanied by an opinion thereon of a recognized firm of independent public accountants selected by the County, which opinion shall state that such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied.

(i) The County further covenants that an annual audit (prepared in accordance with generally accepted accounting principles consistently applied) of the County shall be conducted by a recognized firm of independent public accountants within 180 days of the end of the Fiscal Year, and the report of such annual audit shall be available to Bondholders and the Credit Facility Issuer, if any, without charge upon written request.

(j) The County shall make available to Bondholders without charge upon written request, outstanding balances by maturity, redemption history including redemption date, amount of funds, and distribution of the call to the maturities of the Bonds.

(k) Any Bondholder owning at least one million dollars of principal amount (accrued values at maturity for capital appreciation bonds or zero coupon Bonds) of Bonds can request that the Paying Agent send an additional copy of any notice (default, redemption, or any other correspondence) by first class mail to a second address simultaneously with, and in addition to the regular mailing of these notices to registered holders recorded on the books of the Registrar.

#### **ARTICLE IV**

##### **SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS AND ACCOUNTS**

A. Moneys held in all Funds and Accounts established under this Resolution shall be invested in Investment Obligations. All Investment Obligations shall mature or shall be subject to redemption at the option of the holder thereof not later than the respective dates when moneys held for the credit of such funds or accounts will be required for the purposes intended, including, in particular, the payment of interest and principal on the Bonds when due; provided that Investment Obligations purchased with funds on deposit in the Debt Service Reserve Account shall have an average aggregate weighted term to maturity of not greater than five years.

B. Whenever a payment or transfer of moneys between two or more of the funds or accounts established pursuant to Article III hereof is permitted or required, such payment or transfer

may be made in whole or in part by transfer of one or more Investment Obligations at a value determined in accordance with this Article IV; provided that the Investment Obligations transferred are those in which moneys of the receiving fund or account could be invested at the date of such transfer.

## **ARTICLE V**

### **DEFEASANCE**

If the County shall cause to be paid, or there shall be otherwise paid or provision for payment made to or for the Owners of the Bonds the principal of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein, and shall cause to be paid to the Paying Agent or a bank or trust company appointed as escrow agent all sums of money due or to become due according to the provisions hereof, including the fees, expenses and costs of the Paying Agent or escrow agent as contemplated herein, then this Resolution and the lien, rights and interest created hereby shall cease, determine and become null and void (except as to any surviving rights of payment, registration, transfer or exchange of Bonds herein provided for and except with respect to the covenants of the County, which by the terms of this Resolution survive the defeasance of the Bonds).

In addition, any Bond or Authorized Denominations thereof shall be deemed to be paid within the meaning of this Resolution when (a) payment of the principal of and premium, if any, on such Bond or Authorized Denominations thereof, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been provided by irrevocably depositing with the Paying Agent or a bank or trust company acting as escrow agent in trust and irrevocably setting aside exclusively for such payment lawful money of the United States of America in an amount equal to the principal amount of such Bonds, redemption premium, if any, and all unpaid interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein); (ii) shall have been provided for by irrevocably depositing with the Paying Agent or a bank or trust company acting as escrow agent in

trust and irrevocably setting aside exclusively for such payment Defeasance Obligations maturing as to principal and interest in such amount and at such time as will ensure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Paying Agent or escrow agent pertaining to any such deposit shall have been paid or the payment thereof provided for to the satisfaction of the Paying Agent or escrow agent, as the case may be. At such times as a Bond or Authorized Denominations thereof shall be deemed to be paid hereunder, as aforesaid, such Bond or Authorized Denominations thereof shall no longer be secured by or entitled to the benefits of this Resolution except for the purposes of any such payment from such moneys and/or Defeasance Obligations.

Notwithstanding the foregoing paragraph, in the case of a Bond or Authorized Denominations thereof which by its terms may be redeemed prior to the stated maturity thereof, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bond or Authorized Denominations thereof as aforesaid until: (a) proper notice of redemption of such Bond or Authorized Denominations thereof shall have been previously given in accordance with Article II of this Resolution, or (b) in the event said Bond or Authorized Denominations thereof is not to be redeemed within the next succeeding 60 days, until (i) the County shall have given irrevocable instructions to notify, as soon as practicable, the Owner of such Bond in accordance with Article II, Section 5 hereof, that the deposit required by clause (a)(ii) of the immediately preceding paragraph has been made with the Paying Agent or escrow agent, as the case may be, and that said Bond or Authorized Denominations thereof is deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable premium, if any, on said Bond or Authorized Denominations thereof, plus interest thereon to the due date thereof, and (ii) the County shall have caused to be delivered to the Paying Agent or escrow agent, as the case may be, a verification report of an independent, nationally recognized, certified public accountant showing the sufficiency of such deposit.

Notwithstanding any provision of any other Article of this Resolution which may be contrary to the provisions of this Article, all moneys and/or Defeasance Obligations set aside and held in trust pursuant to the provisions of this Article and necessary for the payment of Bonds or Authorized Denominations thereof (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds or Authorized Denominations thereof (including interest and premium thereon, if any) with respect to which such moneys and/or Defeasance Obligations have been so set aside in trust until payment of such Bonds or Authorized Denominations thereof.

The provisions of this Article shall apply to the Bonds of all or any Series of Bonds Outstanding hereunder or of a particular maturity or of a specific part of a particular maturity to the extent the conditions hereof are expressly satisfied with respect to such Bonds, Series of Bonds, maturity or specific part of a maturity.

Anything in Article VII hereof to the contrary notwithstanding, if moneys or Defeasance Obligations have been deposited or set aside with the Paying Agent pursuant to this Article for the payment of Bonds or Authorized Denominations thereof and the interest and premium, if any, thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each of the Bonds affected thereby.

Notwithstanding the foregoing, in the event that the payment or deposit in the amount and manner provided in this Resolution has been made by the Credit Facility Issuer under the terms of its Credit Facility, the Credit Facility Issuer shall be subrogated to the rights of the Holders of the Bonds and the liability of the County, with respect thereto, shall not be discharged or extinguished.

Notwithstanding anything contained in this Article to the contrary, the covenants, liens and pledges contained in this Resolution shall not be fully discharged and satisfied until all obligations owed to the Credit Facility Issuer and Reserve Account Credit Facility Issuer have been satisfied.

**ARTICLE VI**  
**DEFAULTS AND REMEDIES**

**SECTION 1. EVENTS OF DEFAULT.** Each of the following events shall constitute and is referred to in this Resolution as an "Event of Default":

(a) A failure by the County to pay the principal of any of the Bonds when the same shall become due and payable at maturity or upon redemption; or

(b) A failure by the County to pay an installment of interest on any of the Bonds after such interest has become due and payable; or

(c) A failure of the County to reinstate any amounts required to cure any deficiency in the Debt Service Reserve Account, pursuant to the requirements of Section 7 of Article III, during the year succeeding the year in which such deficiency occurs; or

(d) A failure by the County to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a), (b) and (c) of this Section) contained in the Bonds or in this Resolution on the part of the County to be observed or performed, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the County by the Credit Facility Issuer, if any, or by the request of Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, subject to the prior written consent of the Credit Facility Issuer, if any, unless the Owners of an aggregate principal amount of Bonds of not less than the aggregate principal amount of Bonds the Owners of which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration, subject to the prior written consent of the Credit Facility Issuer, if



any; provided, however, that the Owners of such aggregate principal amount of Bonds, or the Credit Facility Issuer, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the County, or on behalf of the County, within such period and is being diligently pursued.

If on the date payment of principal of or interest on the Bonds is due, sufficient moneys are not available to make such payment, the Paying Agent shall give immediate notice by telephone, telegraph or other electronic means, promptly confirmed in writing of such insufficiency to the Credit Facility Issuer and the Reserve Account Credit Facility Issuer, if any. The Paying Agent and County shall do all other things necessary to effectuate the terms and provisions of the Credit Facility and the Reserve Account Credit Facility.

**SECTION 2. REMEDIES; RIGHTS OF BONDHOLDERS.** Upon the occurrence of an Event of Default, under Subsections 1(a), or 1(b) of this Article VI, any Bondholder may, or upon the occurrence of an Event of Default under Subsections 1(c) or 1(d) of this Article VI, the Credit Facility Issuer, if any, or the Owners of not less than 25% in aggregate principal amount of the Bonds, with the consent of the Credit Facility Issuer, if any, may pursue any available remedy at law or in equity or by statute, including any applicable law or statute of the United States of America or of the State, to enforce the payment of principal of and interest on the Bonds then Outstanding or the obligations of the County hereunder. Notwithstanding anything contained in this subsection to the contrary neither the Credit Facility Issuer, if any, nor the Owners shall have the right to accelerate the payment of principal of and interest on the Bonds.

Prior written consent of the Credit Facility Issuer, if any, shall be required only as long as the Credit Facility Issuer shall not be in default under the Credit Facility and not be the subject of a liquidation, bankruptcy, insolvency or similar proceedings.

No right or remedy by the terms of this Resolution is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

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

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

**SECTION 3. RESTORATION TO FORMER POSITION.** In the event that any proceeding taken to enforce any right under this Resolution shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then the County, the Credit Facility Issuer, if any, and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers shall continue as though no such proceeding had been taken.

**SECTION 4. OWNERS' RIGHT TO DIRECT PROCEEDINGS.** Anything in this Resolution to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding hereunder shall have the right, by an instrument in writing and upon the prior written consent of the Credit Facility Issuer, if any, to direct the time, method and place of conducting all remedial proceedings available under this Resolution or exercising any power conferred by this Resolution.

**SECTION 5. NO IMPAIRMENT OF RIGHT TO ENFORCE PAYMENT.**

Notwithstanding any other provision in this Resolution, the right of any Owner of Bonds to receive payment of the principal of and interest on such Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Owner.

**ARTICLE VII**

**PAYING AGENT AND REGISTRAR**

**SECTION 1. COMPENSATION, EXPENSES AND ADVANCES.** The Paying Agent and the Registrar, pursuant to the terms of this Resolution, shall be entitled to reasonable compensation for their services rendered hereunder (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement for their actual out-of-pocket expenses (including reasonable counsel fees) reasonably incurred in connection therewith except as a result of their negligence or willful misconduct.

**SECTION 2. DEALINGS IN BONDS AND WITH THE COUNTY.** The Registrar, the Credit Facility Issuer, if any, and the Paying Agent in its or their individual capacity or capacities, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder, and may join in any action which any Owner of Bonds may be entitled to take with like effect as if it did not act in any capacity hereunder. The Registrar or the Paying Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the County or the Credit Facility Issuer, if any, and may act as depository, trustee or agent for any committee or body of Owners of Bonds secured hereby or other obligations of the County, or the Credit Facility Issuer as freely as if it did not act in any capacity hereunder.

**SECTION 3. ALLOWANCE OF INTEREST.** The Paying Agent may, but shall not be obligated to, allow and credit interest upon any moneys which it may at any time receive under any of the provisions of this Resolution, at such rate, if any, as it customarily allows upon similar funds of similar size and under similar conditions, provided that such allowance and credit shall not result in any violation of Article III, Section 11 hereof relating to arbitrage. All interest allowed on any such moneys shall be credited to the appropriate fund or otherwise applied as provided in Article III with respect to interest on investments. Funds held by the County or Paying Agent hereunder need not be segregated from other funds held by the County or Paying Agent except to the extent required by law.

**SECTION 4. PAYING AGENT.** The Paying Agent shall be determined pursuant to subsequent proceedings of the Governing Body. The Paying Agent shall:

(a) hold all sums held by it for the payment of the principal of or interest on Bonds in trust for the benefit of the Owners of Bonds until such sums shall be paid to such owners or otherwise disposed of as herein provided, and

(b) keep such books and records as shall be consistent with prudent industry practice, including amounts available to be drawn under any Reserve Account Credit Facility and amounts payable thereunder to any Reserve Account Credit Facility Issuer, and make such books and records available for inspection by the County, the Credit Facility Issuer, if any, the Reserve Account Credit Facility Issuer, if any, and any Bondholder at all reasonable times..

**SECTION 5. QUALIFICATIONS OF PAYING AGENT; RESIGNATION, REMOVAL.** Any Paying Agent appointed hereunder shall be a commercial bank or trust company duly organized under the laws of the United States of America or any state or territory thereof, having (or its parent having) a combined capital stock, surplus and undivided profits of at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution. The Paying Agent

may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' notice to the County, and the Credit Facility Issuer, if any; provided, however, that no resignation of the Paying Agent shall take effect until a successor has been appointed and has accepted the duties of Paying Agent.

The Paying Agent may be removed by the County by an instrument or instruments in writing which may be accompanied by an instrument of appointment by the County of a successor. Notwithstanding anything in this Section to the contrary, as long as a Credit Facility, if any, is still in effect, the Paying Agent shall not be removed without the prior written consent of the Credit Facility Issuer provided that such Credit Facility Issuer shall not be in default under the Credit Facility or the subject of any liquidation, bankruptcy, insolvency or similar proceedings.

In the event of the resignation or removal of the Paying Agent, the Paying Agent shall pay over, assign and deliver any moneys held by it in such capacity to its successor.

In the event that the County shall fail to appoint a Paying Agent hereunder, or in the event that the Paying Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Paying Agent shall be taken under the control of any state or Federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the County shall not have appointed its successor as Paying Agent, the Chief Financial Officer shall ipso facto be deemed to be the Paying Agent for all purposes of this Resolution until the appointment by the County of the Paying Agent or successor Paying Agent, as the case may be.

**SECTION 6. REGISTRAR.** The Paying Agent shall serve as Registrar for the Bonds. The Registrar hereby agrees, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the County, the Bondholders and the Credit Facility Issuer, if any, at all reasonable times.

The County shall cooperate with the Registrar to cause the necessary arrangements to be made and to be thereafter continued whereby Bonds, executed by the County and authenticated by the Registrar or any authenticating agent, shall be made available for exchange, registration and registration of transfer at the designated principal corporate trust office of the Registrar. The County shall cooperate with the Registrar and the Credit Facility Issuer, if any, to cause the necessary agreements to be made and thereafter continued whereby the Registrar shall be furnished such records and other information, at such times, as shall be required to enable the Registrar to perform the duties and obligations imposed upon him hereunder.

#### **SECTION 7. QUALIFICATIONS OF REGISTRAR; RESIGNATION; REMOVAL.**

The Registrar, initially, shall be the Paying Agent. Any successor appointed hereunder shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having (or its parent having) a combined capital stock, surplus and undivided profits of at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by this Resolution. The Registrar may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' notice to the County, the Paying Agent, and the Credit Facility Issuer, if any. The Registrar may be removed at any time, at the direction of the County with the consent of the Credit Facility Issuer, if any, by an instrument, signed by the County, filed with the Registrar, the Paying Agent and the Credit Facility Issuer, if any.

In the event of the resignation or removal of the Registrar, the Registrar shall deliver any Bonds held by it in such capacity to its successor or, if there be no successor, to the Paying Agent.

In the event that the County shall fail to appoint a Registrar hereunder, or in the event that the Registrar shall resign or be removed, or be dissolved, or if the property or affairs of the Registrar shall be taken under the control of any state or Federal court or administrative body because

of bankruptcy or insolvency, or for any other reason, and the County shall not have appointed its successor as Registrar, the Paying Agent shall ipso facto be deemed to be the Registrar for all purposes of this Resolution until the appointment by the County of the Registrar or successor Registrar, as the case may be.

**SECTION 8. SEVERAL CAPACITIES.** Anything in this Resolution to the contrary notwithstanding, the same entity may serve hereunder as the Registrar, the Paying Agent and the authenticating agent and in any other combination of such capacities, to the extent permitted by law.

## **ARTICLE VIII**

### **MISCELLANEOUS PROVISIONS**

**SECTION 1. MODIFICATION OR AMENDMENT.** (a) Except as provided in paragraph (b) below no material modification or amendment of this Resolution or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the Owners of more than fifty percent (50%) in principal amount of the Bonds then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the County to pay the interest of and principal on the Bonds, as the same mature or become due, from the Pledged Revenues, or reduce such percentage of Owners of such Bonds required above for such modification or amendments, without the consent of the Owners of all the Bonds affected.

(b) This Resolution may be amended, changed, modified and altered without the consent of the Owners of Bonds, (i) to cure any ambiguity, correct or supplement any provisions contained herein which may be defective or inconsistent with any other provisions contained herein, (ii) to provide other changes which will not adversely affect the interest of such Owners (without taking into account the existence of a Credit Facility), (iii) to maintain the exclusion of interest on the Bonds

from gross income for federal income tax purposes, (iv) to secure or maintain a rating on the Bonds, or (v) to provide market disclosure regarding the Bonds and the County's financial condition in accordance with municipal guidelines regarding the same and adopted by the County.

(c) Anything in this Section 1 of Article VIII to the contrary notwithstanding, to the extent the Bonds are secured by a Credit Facility and such Bonds are then rated in as high a rating category in which such Bonds were rated at the time of initial issuance and delivery thereof, by both S&P and Moody's, then the consent of the Credit Facility Issuer shall constitute the consent of the Holders of the Bonds provided such Credit Facility Issuer is not in default under the Credit Facility or the subject of any liquidation, bankruptcy, insolvency or similar proceeding; and provided, further, that no modification or amendment shall permit a change in the maturity or redemption of such Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the County to pay the interest of and principal on the Bonds, as the same mature or become due, from the Pledged Revenues, or adversely affect the rights of Bondholders or reduce the percentage of Owners of such Bonds required in Section 1(a) above for such modification or amendment, without the consent of the Owners of all the Bonds affected.

(d) Anything contained in this Section 1 to the contrary notwithstanding, if the principal of and interest on the Bonds is guaranteed under a Credit Facility and the Credit Facility Issuer is not in default under such Credit Facility or the subject of any liquidation, bankruptcy, insolvency or similar proceedings, any amendment or supplement to this Resolution shall be subject to the prior written consent of the Credit Facility Issuer. Further, the Credit Facility Issuer shall be provided with a full transcript of all proceedings relating to the adoption of any supplemental resolution.

## **SECTION 2. CREDIT FACILITY; ALTERNATES.**



(a) If the County determines to secure the Bonds with a Credit Facility, such Credit Facility must meet the requirements set forth in this Section 2.

(b) Prior to implementation of any Credit Facility the County shall deliver to the Paying Agent an opinion of counsel for the Credit Facility Issuer that such obligation constitutes a legal, valid and binding obligation of such Credit Facility Issuer, enforceable in accordance with its terms.

(c) Each Credit Facility must:

- (i) be an irrevocable, unconditional obligation of the Credit Facility Issuer;
- (ii) shall provide for payment of principal of and interest on the applicable Bonds when due, whether at maturity or earlier mandatory redemption, when other funds hereunder are unavailable therefor; and
- (iii) result in the Bonds secured thereby being rated in one of the two highest long term credit rating categories by either S&P or Moody's, or both.

(d) The County may, at any time, provide for the replacement of the Credit Facility by the delivery of an Alternate Credit Facility to the Paying Agent, which Alternate Credit Facility shall meet the foregoing requirements of this Section 2. In addition, prior to the replacement of any Credit Facility, the County shall have delivered to the Paying Agent:

- (i) An Opinion of Bond Counsel to the effect that the replacement of the Credit Facility with such Alternate Credit Facility will not cause interest on the Bonds to be included in Federal gross income for Federal income tax purposes;
- (ii) Confirmation from any Rating Agency then rating the Bonds secured by such Credit Facility that such substitution will not reduce or impair the rating such Bonds held at the time of implementation of the previous Credit Facility; and

- (iii) An opinion of counsel for the substitute Credit Facility Issuer that such Alternate Credit Facility constitutes a legal, valid and binding obligation of such Credit Facility Issuer enforceable in accordance with its terms.

Any provision in this Section 2 of this Article VIII to the contrary notwithstanding, if the Credit Facility shall be provided by the same Credit Facility Issuer by means of a Letter of Credit, then the consent of such Credit Facility Issuer shall not be necessary.

(e) At least thirty (30) days prior to the effective date of any Alternate Credit Facility, the Paying Agent shall give written notice to each owner of all Bonds Outstanding affected thereby. At the time such notice is given, a copy of the notice shall be sent to the Rating Agency rating Bonds affected thereby. The County may, by notice given to the owners of the Bonds affected thereby not less than twelve (12) days prior to the proposed date of substitution, rescind any notice thereof given pursuant to this Subsection 2(e).

(f) The County may utilize more than one Credit Facility to secure any Series of Bonds provided each Credit Facility Issuer has a joint and several obligation to pay the principal of and interest on the Series of Bonds. The provisions of this Subsection 2(f) relating to joint and several obligation shall not apply to the initial Credit Facility, if any, delivered on the Date of Issue. Except as aforesaid all provisions hereof relating to a Credit Facility shall apply to all Credit Facilities securing the Bonds pursuant to this Subsection 2(f).

**SECTION 3. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision 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 separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other

provisions of this Resolution or of the Bonds issued hereunder.

**SECTION 4. VALIDATION AUTHORIZED .** The County Attorney, or her successor, may take appropriate proceedings in the Circuit Court of the Fifteenth Judicial Circuit of Florida, in and for Palm Beach County, for the validation of the first Series of Bonds, and the Chairman and Clerk are hereby authorized to sign any pleadings in such proceedings for and on behalf of the Governing Body.

**SECTION 5. SALE OF BONDS .** The Bonds shall be issued and sold at one time or from time to time and at such price or prices consistent with the provisions of the Act and the requirements of this Resolution as the Governing Body shall hereafter determine by subsequent proceeding.

**SECTION 6. CONTINUING DISCLOSURE.**

(a) The County hereby agrees, in accordance with the provisions of Rule 15c2 12 in effect from time to time and applicable to the Bonds (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided, to each nationally recognized municipal securities information repository ("NRMSIR") and to the State of Florida (the "State") information depository ("SID") , if any, in each case as designated and approved by the Commission and the State, respectively, in accordance with the Rule, within 180 days following the end of each Fiscal Year of the County, commencing with the Fiscal Year ending September 30, 2007, annual financial information and operating data concerning the County, consistent with the financial information and operating data included in the official statement prepared with respect to the Bonds, and, if not included with the annual financial information, then, when and if available, audited financial statements prepared in accordance with generally accepted accounting principles applicable to the County. A copy of such annual financial information and operating data will be provided by the County to the initial purchasers of the Bonds. If audited financial statements are not available at the time of required filings as set forth

above, unaudited financial statements shall be filed pending the availability of audited financial statements. (The information required to be disclosed in this subsection A shall be referred to herein as the "Annual Report"). In connection with the annual financial information and operating data, consistent with the financial information and operating data included in the official statement prepared with respect to the Bonds, such information shall be deemed to include, but shall not be limited to (to the extent required by the Rule) the audited financial statements of the County for the immediately preceding Fiscal Year (the "Financial Statements").

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

(b) The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB") and (ii) the SID, if any, written notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Modifications to rights of the security holders;
- (vii) Calls of the securities for redemption (other than scheduled mandatory redemption the terms of which are set forth in the official statement related to the securities and for which notice has been provided in accordance with the Rule) or any acceleration of the maturity thereof;
- (viii) Defeasances in whole or in part of the securities;
- (ix) Release, substitution, or sale of property securing repayment of the securities;

(x) Rating changes;

(xi) Adverse tax opinions or events affecting the tax-exempt status of the security;

and

(xii) Any changes in the County's Fiscal Year.

(c) The County agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or the MSRB and (ii) the SID, if any, written notice of a failure by the County to provide the Annual Report described in subsection A above on or prior to the date set forth therein.

(d) The County reserves the right to terminate its obligation to provide Annual Report and notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule (either by the redemption in full or legal defeasance of all such Bonds). If the County believes such condition exists, the County will provide notice of such termination to the NRMSIR'S, the MSRB and the SID.

(e) The County agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by any holder or beneficial owner; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

(f) Any voluntary inclusion by the County of information in its annual report of supplemental information that is not required hereunder shall not expand the obligations of the County hereunder and the County shall have no obligation to update such supplemental information or include it in any subsequent report.

(g) The covenants contained herein are solely for the benefit of the holders and beneficial owners of the Bonds and shall not create any rights in any other parties.

(h) Notwithstanding any other provision of this Resolution, the County may amend this Section and any provision of this Section may be waived, provided that the following conditions are satisfied:

(i) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(ii) The undertaking, as amended or taking into account such waiver would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of holders and beneficial owners as determined either by parties unaffiliated with the County or obligated person (such as the trustee or bond counsel), or by an approving vote of holders pursuant to the terms of the Bond Resolution.

In the event of any amendment or waiver of a provision of this Section, the County shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of annual financial information or operating data being presented by the County. In addition, if the amendment or waiver relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as set forth in subsection (b) and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 7. CREDIT FACILITY ISSUER; DEFAULT.** Notwithstanding any of the provisions of this Resolution to the contrary, all of the rights of the Credit Facility Issuer granted herein, shall be null and void if the Credit Facility Issuer is in default under the Credit Facility or the subject of any liquidation, bankruptcy, insolvency or similar proceedings; provided, however, that the Credit Facility Issuer shall be entitled to claim any reimbursement obligations theretofore earned.

**SECTION 8. NOTICE TO THE RATING AGENCY.** The Rating Agency (rating the Bonds) shall receive notice of the following events:

- (i) Any amendment to this Resolution.
- (ii) Any redemption, other than a mandatory sinking fund redemption.
- (iii) Defeasance of the Bonds.

**SECTION 9. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

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

Commissioner ADDIE GREENE	_____
Commissioner JEFF KOONS	_____
Commissioner KAREN T. MARCUS	_____
Commissioner WARREN H. NEWELL	_____
Commissioner MARY MCCARTY	_____
Commissioner BURT AARONSON	_____
Commissioner JESS R. SANTAMARIA	_____

The Chairperson thereupon declared the resolution duly passed and adopted this \_\_\_\_ day of July, 2007.

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

Sharon R. Bock, Clerk & Comptroller

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

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

By: Paul F. J.  
County Attorney



## **EXHIBIT A**

### **DESCRIPTION OF THE PROJECT**

The construction, acquisition, renovation, equipping and furnishing of:

- A. Operations and Support Center/Purchasing and Fixed Asset Warehouse/Store (OSC)** located within Vista Center.
- B. Evidence Storage and Impound Facility**, including programming, planning and design expenses.
- C. Jail Expansion Program 2 (JEP2) – Phase 1**, including the expansion of the West County Detention Center and all related interior and exterior program and support space, law enforcement facilities including a communication center, EAGLE Academy Building, bulk evidence storage and community policing storage building, expanded court facilities, related parking facilities, reconstruction of various areas within the existing detention center, EAGLE Academy, law enforcement substation and court facilities, underground fuel storage tanks and a fueling station, two video visitation centers (one located at West County Detention Center and one located at the Stockade) and related infrastructure, equipment and applications for deployment of the video visitation at all three detention centers and five court locations.
- D. JEP2 – Phase 2**, including planning and design expenses for the redevelopment of the Stockade.
- E. All related items designated as Cost of the Project under the Resolution.**

**EXHIBIT B**

**(Form of Bond)\***

- \* The text of the Bonds shall be of substantially the tenor set forth below. Provisions of the Bonds may be set forth on the back of the Bonds and shall for all purposes have the same effect as if set forth on the front of the Bonds.

(Face of Bond with certain provisions applicable to Capital  
Appreciation Bond as indicated)

No. R \$5,000

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
PALM BEACH COUNTY  
PUBLIC IMPROVEMENT REVENUE BOND  
SERIES \_\_\_\_\_

Interest Rate

Maturity Date

Dated

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that Palm Beach County, Florida (the "County"), for value received, hereby promises to pay, from the Pledged Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the principal corporate trust office of \_\_\_\_\_, as paying agent (said \_\_\_\_\_ and any bank or trust company becoming successor paying agent being herein called the "Paying Agent"), the Principal Amount stated hereon with interest thereon at the Interest Rate stated above, payable on the first day of \_\_\_\_\_ each year until the County's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered

owner and mailed to the address of the registered owner as such name and address shall appear on the registration books of the County maintained by \_\_\_\_\_, as Registrar (said \_\_\_\_\_, and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date; provided, however, that if such fifteenth day is a Saturday, Sunday or holiday, then to the registered owner and at the registered address shown on the registration books of the County maintained by the Registrar at the close of business on the day next preceding such fifteenth day of the month which is not a Saturday, Sunday or holiday (the "Record Date"); provided further, however, that payment of interest on the Bonds may, at the option of any Holder of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to the Holder to the bank account number on file with the Paying Agent as of the Record Date. Such interest shall be payable from the most recent interest payment date next preceding the date hereof to which interest has been paid, unless the date hereof is an \_\_\_\_\_ 1 or \_\_\_\_\_ 1 to which interest has been paid, in which case from the date hereof, or unless the date hereof is prior to \_\_\_\_\_, 20 , in which case from \_\_\_\_\_, 20 , or unless the date hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date; provided, however, that if and to the extent there is a default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the persons in whose name Bonds are registered on the registration books of the County maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent interest payment date established by notice mailed by the Registrar to the registered owner not less than the tenth day preceding such subsequent interest payment date. The Principal Amount and accrued interest thereon is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

[The following is applicable to Capital Appreciation Bonds only]

No.

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
PALM BEACH COUNTY  
PUBLIC IMPROVEMENT REVENUE BONDS  
SERIES \_\_\_\_\_

Interest Rate

Maturity Date

Dated

CUSIP

Registered Owner:

Principal Amount: \$ \_\_\_\_\_ per \$5,000 Amount Due at Maturity

Amount Due at Maturity:

KNOW ALL MEN BY THESE PRESENTS, that Palm Beach County, Florida (the "County"), for value received, hereby promises to pay from the Pledged Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon presentation and surrender hereof at the principal corporate trust office of \_\_\_\_\_, as paying agent (said \_\_\_\_\_ and any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Amount Due at Maturity (stated above), constituting the Principal Amount per \$5,000 Amount Due at Maturity (stated above) and interest thereon at the Interest Rate (stated above) from the Dated Date (stated above) compounded on \_\_\_\_\_ and thereafter on \_\_\_\_\_, of each year until payment of said maturity amount or upon earlier redemption, as set forth on the reverse side hereof, payment to be made at the Accreted Value as of the date of redemption or other date of payment. The "Accreted Value" of this Bond shall mean, as of any date of computation, an amount equal to the principal amount hereof plus the compounded interest accrued hereon to the \_\_\_\_\_ 1 or \_\_\_\_\_ 1 next preceding the date of computation or the date of computation if a

\_\_\_\_\_ 1 or \_\_\_\_\_ 1, plus, if such date of computation shall not be a \_\_\_\_\_ 1 or \_\_\_\_\_ 1, a portion of the difference between the Accreted Value as of the immediately preceding \_\_\_\_\_ 1 or \_\_\_\_\_ 1 (or the Dated Date if the date of computation is prior to \_\_\_\_\_, 20 ) and the Accreted Value as of the immediately succeeding \_\_\_\_\_ 1 or \_\_\_\_\_ 1, calculated based upon the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. The Accreted Value per \$5,000 maturity amount of this Bond on each \_\_\_\_\_ 1 or \_\_\_\_\_ 1 is set forth in a table on the reverse hereof. The table should not be construed as a representation as to the market value of this Bond at any time in the future but may bear a relationship to the amount of tax-exempt interest and taxable gain with respect to this Bond if sold prior to maturity.

The following is applicable to all Bonds. This Bond is one of an authorized issue of Bonds of the County designated as its Public Improvement Revenue Bonds, Series \_\_\_\_\_ (herein called the "Bonds"), in the aggregate principal amount of \$ \_\_\_\_\_ of like date, tenor, and effect, except as to number, date of maturity and interest rate, issued for the purpose of financing or refinancing the cost of the Project (as defined in the Resolution hereinafter referred to) under the authority of and in full compliance with the Constitution, the County Charter, as amended and supplemented, and Statutes of the State of Florida, including particularly Chapters 125 and 166, Florida Statutes, as amended and supplemented and other applicable provisions of law, and a resolution duly adopted by the Board on July 10, 2007, as amended (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond is a special obligation of the County and is payable solely in the manner and to the extent set forth in the Resolution. There are hereby pledged for the payment of the principal and premium, if any, of, and interest on, the Bond in accordance with the terms and the provisions of the Resolution, the Pledged Revenues (as defined below). This Bond shall not be or constitute a general obligation of the County within the meaning of the Constitution of the State of Florida but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues in the manner and to the extent provided in the Resolution. No Bondholder shall ever have the right to compel the

exercise of the ad valorem taxing power of the County or taxation in any form on any real or personal property to pay such Bonds or the interest thereon, nor shall any Bondholder be entitled to payment of such principal or interest from any other funds of the County other than as provided in the Resolution. Furthermore, no Bondholder shall ever have a lien on the Project.

Until the Bonds are paid or deemed paid pursuant to the provisions of this Resolution, the County hereby covenants to appropriate in its annual budget in each Fiscal Year, by amendment if necessary, Non-Ad Valorem Revenues in amounts sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, as the same become due (whether by redemption, at maturity or otherwise), and to restore any deficiency in the Debt Service Reserve Account created and established under the Resolution for the Bonds and any other reserve accounts or funds relating to such indebtedness.

"Pledged Revenues" means: (i) moneys budgeted and appropriated by the County, and deposited into the Sinking Fund or any other Fund established under the Resolution, from Non-Ad Valorem Revenues (until deposited into the Sinking fund in the manner and at the time specified in the Resolution such moneys do not constitute Pledged Revenues); (ii) any proceeds of Bonds originally deposited with the County and all moneys deposited and held from time to time by the County in the funds and accounts established pursuant to the Resolution; (iii) investment income received by the County in the funds and accounts established pursuant to the Resolution; and (iv) any other moneys received by the Paying Agent in connection with repayment of the Bonds.

"Non-Ad Valorem Revenues" means legally available revenues of the County derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment by the County of debt service on the Bonds; provided however that for the purpose of the additional bonds test set forth in Article III, Section 11(d) of the Resolution, "Non-Ad Valorem Revenues" means all legally available revenues of the County derived from any source whatever other than ad valorem taxation on real and personal property which are legally available for payment by the County of Non-Self-Supporting Debt.

The original registered owner, and each successive registered owner of this Bond shall

be conclusively deemed to have agreed and consented to the following terms and conditions:

(1) The Registrar shall maintain the books of the County for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. The Bonds shall be transferable by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the County maintained by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name of the transferee a new Bond or Bonds.

(2) The County, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

(3) At the option of the registered owner hereof and upon surrender hereof at the principal corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney and upon payment by such registered owner of any charges which the Registrar or the County may make as provided in the Resolution, the Bonds may be exchanged for Bonds of the same interest rate and maturity of any other authorized denominations.

(4) In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Neither the County nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Record Date to the next succeeding interest payment date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption, or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Bond so surrendered, a registered Bond in the appropriate denomination and interest rate.

This Bond shall not be valid or obligatory for any purpose until the certificate of authentication set forth hereon shall have been duly executed by the Registrar.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Bonds of which this Bond is one, is in full compliance with all constitutional or statutory limitations or provisions.

[Provisions for redemption of Bonds as provided by subsequent proceedings of the County].

IN WITNESS WHEREOF, Palm Beach County, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of its Chairperson and the corporate seal of the County to be affixed hereto or lithographed or imprinted or reproduced hereon, and attested by the manual or facsimile signature of the Clerk, all as of the Dated Date.

PALM BEACH COUNTY, FLORIDA

By \_\_\_\_\_  
Chairperson of the Board of County  
Commissioners



(SEAL)

Attest:

---

Clerk of the Circuit Court of  
Palm Beach County, Florida  
Ex-Officio Clerk of the Board  
of County Commissioners of  
Palm Beach County, Florida

(FORM OF CERTIFICATE OF AUTHENTICATION)

Date of Authentication:

This Bond is one of the Bonds delivered pursuant to the within mentioned Resolution.

\_\_\_\_\_  
as Registrar

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

[For Capital Appreciation Bonds only]

ACCREDITED VALUE PER \$5,000 MATURITY AMOUNT

<u>Date</u>	Accreted <u>Value</u>	Accreted <u>Date</u>	<u>Value</u>
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[The following paragraph is applicable to Capital Appreciation Bonds only]

The Capital Appreciation Bonds, of which this Bond is one, pay principal and compound accrued interest only at maturity or upon prior redemption or acceleration. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) computing the amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the County any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, or (iii) computing the amount of Bonds to be redeemed and the selection of Bonds to be redeemed, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

\_\_\_\_\_ (please print or typewrite name and address 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: \_\_\_\_\_

In the presence of: \_\_\_\_\_

[STATEMENT OF INSURANCE, if any]