

I. Executive Brief

Motion and Title: Staff recommends motion to:

A) Adopt a Resolution authorizing the County to obtain a line of credit in the principal amount of \$38,772,732 to support the issuance of letters of credit to satisfy the debt service reserve funding requirements for seven of the County's outstanding bonds issues; approving the form of and authorizing the execution of a Loan Agreement with Bank of America, N.A.; and providing for an effective date.

B) Authorize OFMB to prepare a transfer of \$47,100 from the General Fund contingency and amend the seven debt service funds.

Summary: Seven series of the County's outstanding bonds issued between 1990 and 2007 have debt service reserve funds that are funded by debt service reserve surety policy issued by a municipal bond insurance company that has had its AAA credit rating downgraded below a level specified in the bond resolutions. Staff and the County's financial advisor have determined that replacing the sureties with letters of credit from an AA rated bank is the most cost efficient way to satisfy the debt service reserve requirement. The term of the above line and letters of credit is one year subject to renewal by the County and acceptance by the Bank. The County anticipates renewing the above letters of credit or replacing them in accordance with the bond resolutions. If the ratings of the municipal bond insurers are restored, the County will terminate the letters of credit. The fees are payable quarterly and will be approximately \$117,000 annually. The fees plus cost of issuance for FY 2008 will not exceed \$47,100 and will be paid from General Fund Contingency. The annual fees are included in the FY 2009 Budget. **Countywide (PFK)**

Background and Justification: The terms of the Bonds Resolutions allow the County to replace the insurer providing the debt service reserve surety with another insurer that has a AAA rating, a AA rated bank or with cash. We have analyzed each alternative and determined that the letters of credit is the most cost effective. The County does not anticipate that any draws on the letters of credit will occur. The County will use non-ad valorem revenues to fund the letter of credit fees.

Attachments:

1. Bond Resolution (On File in OFMB)

Recommended by: Elizabeth Blush 5/11/08
Department Director Date

Approved By: [Signature] 5/13/08
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Debt Service Costs	<u>\$47,100</u>	<u>\$117,000</u>	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$47,100</u>	<u>\$117,000</u>	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

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

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

The FY 2008 charges of \$47,100 will be funded from General Fund Contingency. The fees for FY 2009 are included in the proposed budget.

C. Departmental Fiscal Review: *atwillhite 5.12.08*

III. REVIEW COMMENTS

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

John A. Long 5/12/08 *N/A*
OFMB Contract Dev. and Control

B. Legal Sufficiency:

Paul F. J. 5/12/08
Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 9/03

ADM FORM 01

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

RESOLUTION NO. R-2008-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA AUTHORIZING THE COUNTY TO OBTAIN A LINE OF CREDIT IN THE PRINCIPAL AMOUNT OF \$38,772,731.88 IN ORDER TO SUPPORT THE ISSUANCE OF LETTERS OF CREDIT TO SATISFY THE DEBT SERVICE RESERVE FUND REQUIREMENTS FOR SEVEN OF THE COUNTY'S OUTSTANDING BOND ISSUES; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT WITH BANK OF AMERICA, N.A.; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA (the "County") that:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the Constitution and laws of the State of Florida.

Section 2. Definitions. Words and phrases used herein capitalized form and not otherwise defined herein shall have the meanings ascribed hereto in the Loan Agreement (hereinafter defined) and, in addition, the following words and phrases shall have the following meanings when used herein:

"Authorized Signatory" means the Chairperson or Vice-Chair of the County, or in their absence or inability to act, any other member of the County Commission of the County.

"Loan Amount" means not to exceed \$38,772,731.88.

Section 3. Authorization of Transaction. In order to obtain letters of credit to satisfy the requirements for funding the debt service reserve funds for the Applicable Bonds, the County is authorized to obtain a line of credit (the "Loan") from Bank of America, N.A. (the "Bank") in the amount of the Loan Amount.

Because of the characteristics of the transaction, it is in the best interest of the County to obtain the loan through negotiation with the Bank.

Section 4. Loan Agreement. The County is authorized to execute a Loan Agreement with the Bank in substantially the form attached hereto as Exhibit A (the "Loan Agreement"). The form and terms of the Loan Agreement attached hereto are hereby approved by the County and the Authorized Signatory is authorized to execute the same, with such changes as may be approved by the Authorized Signatory, such approval to be conclusively evidenced by the execution thereof by the Authorized Signatory.

Section 5. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect

any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 6. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

Section 7. Authorizations. All officials and employees of the County are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the County that are necessary or desirable in connection with the completion of the Loan.

Section 8. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 9. Effective Date. This Resolution shall take effect immediately upon its adoption.

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

Commissioner Addie Greene - Chairman	_____
Commissioner Jeff Koons- Vice Chair	_____
Commissioner Karen T. Marcus	_____
Commissioner Robert Kanjian	_____
Commissioner Mary McCarty	_____
Commissioner Burt Aaronson	_____
Commissioner Jess Santamaria	_____

The Chairman thereupon declared the Resolution duly passed and adopted this 20th day of May, 2008.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF
COUNTY COMMISSIONERS
Sharon R. Bock, Clerk and Comptroller

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By _____
County Attorney

LOAN AGREEMENT

This LOAN AGREEMENT (the "Agreement") is made and entered into as of May 22, 2008, and is by and between Palm Beach County, Florida, a political subdivision of the State of Florida, and its successors and assigns (the "County"), and Bank of America, N.A., a national banking association, and its successors and assigns (the "Bank").

The parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, DO HEREBY AGREE as follows:

Section 1. Definitions. The words and terms used in this Agreement shall have the meanings as set forth in the recitals above and the following words and terms as used in this Agreement shall have the following meanings:

"Affected Bonds" means any of, or all of, as the case may be, the following obligations issued by the County:

- (i) Criminal Justice Facilities Revenue Bonds, Series 1990;
- (ii) Criminal Justice Facilities Revenue Refunding Bonds, Series 1993;
- (iii) Criminal Justice Facilities Revenue Refunding Bonds, Series 1997;
- (iv) Criminal Justice Facilities Revenue Refunding Bonds, Series 2002;
- (v) Administrative Complex Revenue Refunding Bonds, Series 1993;
- (vi) Public Improvement Revenue Refunding Bonds, Series 2004 (Convention Center Project); and
- (vii) Public Improvement Revenue Bonds, Series 2007C (Biomedical Research Park Project).

"Agreement" shall mean this Loan Agreement and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Bond Counsel" means an attorney-at-law or firm of such attorneys having expertise in the legal aspects of the issuance of indebtedness by states and political subdivisions thereof.

"Bond Resolutions" means:

- (i) Resolution No. R-90-938, Resolution No. R-90-939, Resolution No. R-93-177, Resolution No. R-93-378, Resolution No. R-93-636, Resolution No. R-97-948, Resolution No. R-2002-1161;
- (ii) Resolution No. R-93-380 and Resolution No. R-83-544;
- (iii) Resolution No. R-2004-0138 and Resolution No. R-2004-0270; and
- (iv) Resolution No. R-2004-0147 and Resolution No. R-2007-1091.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Bank is lawfully closed.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

"Debt Service Reserve Fund" means a reserve fund for the payment of principal of and interest on the Affected Bonds established pursuant to one or more of the Bond Resolutions.

"Event of Default" shall mean an event of default specified in Article VI of this Agreement.

"Letter of Credit" means any one of the four letters of credit issued by the Bank for the benefit of the paying agent of one or more series of Affected Bonds as provided in Section 13 hereof, which shall each be in the forms of Exhibits "A," "B," "C" and "D" hereto or as otherwise agreed by the County and the Bank.

"Loan" shall mean the loan by the Bank to the County contemplated hereby.

"Loan Amount" means up to \$38,772,731.88.

"Notice Address" means,

As to the County: County Administrator
Palm Beach County, Florida
11th Floor
301 North Olive Avenue
West Palm Beach, Florida 33401

As to the Bank: Bank of America, N.A.
9000 Southside Boulevard
Building 100
Jacksonville, Florida 32256

and

Bank of America, N.A.
Commercial Banking
4501 Tamiami Trail North
Suite 400
Naples, Florida 34103

or to such other address as either party may have specified in writing to the other using the procedures specified in Section 22.

"Principal Office" means, with respect to the Bank, the office located at 9000 Southside Boulevard, Building 100, Jacksonville, Florida, 32256, or such other office as the Bank may designate to the County in writing.

"Resolution" means Resolution No. _____, adopted by the Board of County Commissioners of the County on May 20, 2008.

"State" means the State of Florida.

Section 2. Titles and Headings. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 3. Representations and Warranties of the County. The County represents and warrants to the Bank that:

(a) Powers of County. The County is a political subdivision duly organized and validly existing under the laws of the State. The County has the power to borrow the amount provided for in this Agreement, to execute and deliver the Loan Documents, to secure the Loan in the manner contemplated hereby and to perform and observe all the terms and conditions of the Loan Documents on its part to be performed and observed.

(b) Authorization of Transaction. The County has duly adopted the Resolution and duly authorized the borrowing of the amount provided for in this Agreement and the execution and delivery of this Agreement.

(c) Validity of Loan Documents. This Agreement constitutes the legal, valid and binding obligation of the County enforceable in accordance with the terms hereof, subject to the provisions of the bankruptcy laws of the United States of America and to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights, and provided that their enforcement may also be subject to equitable principles that may affect remedies or other equitable relief, or to the exercise of judicial discretion in appropriate cases.

(d) No Violation of Law or Contract. The making and performing by the County of the this Agreement does not and will not violate any applicable provision of law, and does not and will not result in a material breach of any of the terms of any agreement or instrument to which the County is a party or by which the County is bound, the breach of which could result in a material and adverse impact on the financial condition of the County or the ability of the County to perform its obligations hereunder.

Section 4. Financial Information. The County represents and warrants to the Bank that: The financial information regarding the County furnished to the Bank by the County in connection with the Loan is complete and accurate, and there has been no material and adverse change in the financial condition of the County from that presented in such information.

Section 5. Affirmative Covenants. For so long as a Letter of Credit or any principal amount of or interest hereunder is outstanding or any duty or obligation of the County hereunder remains unpaid or unperformed, the County covenants to the Bank as follows:

(a) Payment. The County shall pay the principal of and the interest hereunder at the time and place and in the manner provided herein.

(b) Use of Proceeds. Proceeds of advances of funds by the Bank to the County hereunder will be used only to make deposits to one or more Debt Service Reserve Funds required by the terms of one or more Bond Resolutions.

(c) Notice of Defaults. The County shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing at its Notice Address upon the happening, occurrence, or existence of any Event of Default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the County of all relevant facts and the action being taken or proposed to be taken by the County with respect thereto.

(d) Maintenance of Existence. The County will take all legal action within its control in order to maintain its existence.

(e) Records. All records of the County with respect to the Loan shall be open to inspection by the Bank or its representatives at all reasonable times at the offices the County.

(f) Financial Statements. The County will cause an audit to be completed of its books and accounts and shall furnish to the Bank audited year-end financial statements of the County certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the County and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. The County shall provide the Bank with the County's audited financial statements for each fiscal year ending on or after September 30, 2008 within 270 days after the end thereof.

(g) Material Adverse Change. The County shall promptly inform the Bank in writing of any circumstance that is reasonably expected by the County to have a material and adverse effect upon the ability of the County to perform its obligations under this Agreement.

(h) Insurance. The County shall maintain such liability, casualty and other insurance, including self-insurance, as is reasonable and prudent for similarly situated governmental entities of the State of Florida.

(i) Compliance with Laws. The County shall comply with all applicable federal, state and local laws and regulatory requirements, the violation of which could reasonably be expected to have a material and adverse effect upon the ability of the County to perform its obligations under this Agreement.

Section 6. Negative Covenants. For so long as the Letter of Credit or any principal amount of or interest hereunder is outstanding or any duty or obligation of the County hereunder remains unpaid or unperformed, the County covenants to the Bank that the County shall not issue or incur any indebtedness or obligation if such would materially and adversely affect the ability of the County to perform its obligations under this Agreement.

Section 7. Payment of Principal and Interest. The County promises that it will promptly pay the principal of and interest due hereunder at the place, on the dates and in the manner provided herein, and that the County will levy ad valorem taxes, to the extent of the maximum millage permitted by Article VII, Section 12, Florida Constitution and the General Laws of the State of Florida, sufficient, together with any other amounts available for such purpose, to pay the obligations of the County hereunder as the same become due and payable.

Section 8. Officers and Employees of the County Exempt from Personal Liability. No recourse upon any obligation, covenant or agreement of the County in this Agreement or for any claim based thereon or otherwise in respect thereof, shall be had against any officer or employee, as such, of the County past, present or future, it being expressly understood (a) that the obligation of the County under this Agreement is solely a corporate one, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the officers or employees, as such, of the County, by reason of the obligations, covenants or agreements contained in this Agreement and (c) that any and all such personal liability of, and any and all such rights and claims against, every such officer and employee, as such, of the County, are waived and released by the Bank as a condition of, and as a consideration for, the execution of this Agreement by the County.

Section 9. Business Days. In any case where the due date of any payment hereunder is not a Business Day, then payment need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Bank.

Section 10. Line of Credit Amount.

(a) During the availability period described below, the Bank will provide a line of credit to the County. The amount of the line of credit (the "**Commitment**") is \$38,772,731.88.

(b) This is a revolving line of credit. During the period from the date of this Agreement through the earlier of (i) May 21, 2009 (the "**Maturity Date**") and (ii) the date on which (x) the County shall have notified the Bank in writing that the County wishes to terminate the Availability Period and (y) no Letter of Credit is outstanding hereunder (the "**Availability Period**"), principal amounts may be advanced hereunder from time to time, and an amount borrowed and repaid may be re-borrowed.

The Maturity Date and Availability Period as of any date will be considered renewed and extended for a period of one year from the current Maturity Date and Availability Period if and only if the Bank has sent to the County, and the County has accepted, a written notice of extension effective as of the Maturity Date and Availability Period (the "**Renewal Notice**"). No Renewal Notice shall be binding on the County of the Bank until the end of the then current Maturity Date. If this line of credit is renewed, it will continue to be subject to all the terms and conditions set forth in this Agreement except as modified by the Renewal Notice. If this line of credit is renewed, the term "Maturity Date" shall mean the date set forth in the Renewal Notice as the Maturity Date and the same process for renewal will apply to any subsequent renewal of this line of credit. A renewal fee may be charged at the Bank's option. The amount of the renewal fee will be specified in the Renewal Notice.

(c) Advances of principal hereunder shall be made by the Bank solely to repay amounts drawn under a Letter of Credit. Any amount so advanced shall constitute principal hereunder.

Section 11. Repayment Terms.

(a) The County will pay interest on any amount of principal advanced by the Bank to the County and not repaid by the County to the Bank in arrears on the 21st day of February, May, August and November of each year, commencing August 21, 2008, until termination of the Availability Period and payment in full of any principal outstanding under this facility.

(b) On the Maturity Date the County will pay the Bank all outstanding principal and interest hereunder in full.

(c) Payments of principal may be made at any time without premium or penalty.

(d) All payments by the County under this Agreement shall be made to the Bank at its Principal Office, in lawful money of the United States of America and in immediately available funds. All payments shall be made without set off, recoupment, defense, reduction or deduction (including without limitation, any reduction or deduction for any present or future tax, levy, impost, charge, withholding, or any liability with respect thereto).

(e) All payments of principal and interest hereunder shall be applied first to interest accrued to the date of payment and next to the unpaid principal balance; provided, however, in the event an Event of Default occurs, payments shall be applied first to any costs or expenses, including attorneys fees, that the Bank may incur in exercising its rights under this Agreement, as the Bank may determine.

Section 12. Interest Rate.

(a) The outstanding principal balance advanced by the Bank to the County hereunder shall bear interest at a rate per year equal to the sum of (i) the BBA LIBOR Daily Floating Rate plus (ii) 1.50%.

The BBA LIBOR Daily Floating Rate is a fluctuating rate of interest equal to the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) as determined for each banking day at approximately 11:00 a.m. London time two (2) London Banking Days prior to the date in question, for U.S. Dollar deposits (for delivery on the first day of such interest period) with a one month term. If such rate is not available at such time for any reason, then the rate for that interest period will be determined by such alternate method as reasonably selected by the Bank as being comparable to BBA LIBOR. A "London Banking Day" is a day on which banks in London are open for business and dealing in offshore dollars.

(b) Any interest due hereunder shall be calculated on the basis of a year containing 360 days for the actual days elapsed. Notwithstanding anything in any Loan Document to the contrary, the sum of all interest and all other amounts deemed interest under applicable law which may be

collected by the Bank hereunder shall not exceed the maximum lawful interest rate permitted by such law from time to time. The Bank and the County intend and agree that under no circumstance shall the County be required to pay interest hereunder at a rate in excess of the maximum interest rate permitted by applicable law from time to time, and in the event any such interest is received or charged by the Bank in excess of that rate, the County shall be entitled to an immediate refund of any such excess interest by a credit to and payment toward the unpaid balance of the Loan (such credit to be considered to have been made at the time of the payment of the excess interest) with any excess interest not so credited to be immediately paid to the County by the Bank.

(c) Notwithstanding any other provision hereof, during the continuation of an Event of Default, the interest rate shall be the maximum rate permitted by law.

Section 13. Letters of Credit.

(a) On the date hereof the Bank will issue the Letters of Credit, each with a "Stated Expiration Date" (as defined therein) the same as the Maturity Date. If the Maturity Date is extended as provided in Section 13(b), the Bank will extend the Stated Expiration Date to the new Maturity Date.

(b) Any sum drawn under the Letter of Credit shall immediately be added to the principal amount outstanding under this Agreement, whereupon the Bank will notify the beneficiary of the Letter of Credit that the amount available to be drawn thereunder has been reinstated by the amount of such drawing. The amount will bear interest and be due as described elsewhere in this Agreement.

(c) The Bank shall promptly notify the County by telephone, telefacsimile or other telecommunication of any drawing under the Letter of Credit and of the anticipated date (the "Payment Date") that payment of such drawing is to be made by the Bank. On the Payment Date, the Bank shall confirm to the County by telephone or telecopy that payment of the drawing is to be made by the Bank on such date.

(d) In determining whether to honor any drawing under any Letter of Credit, the Bank shall be responsible only to determine that the documents and certificates required to be delivered under that Letter of Credit have been delivered by the designated representative of the beneficiary thereof and that they materially comply on their face with the requirements of that Letter of Credit. The County otherwise assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by the respective beneficiaries of such Letters of Credit. Except in the event of the Bank's gross negligence or willful misconduct, the Bank shall not be responsible (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of, or any drawing honored under, a Letter of Credit even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit, or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, telecopy or otherwise, whether or not they be in cipher; (iv) for errors in interpretation of technical terms; (v) for any loss or delay in the transmission or otherwise of any

document required in order to make a drawing under a Letter of Credit, or the proceeds thereof; (vi) for the misapplication by the beneficiary of a Letter of Credit, of the proceeds of any drawing honored under a Letter of Credit; and (vii) for any consequences arising from causes beyond the control of the Bank. None of the above shall affect, impair or prevent the vesting of any of the Bank's rights or powers hereunder. Without limitation of the foregoing, any action taken or omitted to be taken by the Bank under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create against the Bank any liability to the County.

Section 14. Fees.

(a) The County will pay the Bank on demand a fee in the amount of \$150.00 in connection with each draw upon the Letter of Credit, a fee of \$2,500.00 for each amendment to or transfer of the Letter of Credit requested by the County, and the Bank's customary charges for the wire transfer of funds pursuant to a drawing under the Letter of Credit.

(b) The County shall pay to the Bank a commitment fee, at an annual rate equal to 0.30%, on the average daily unfunded portion of the Commitment, such fee being payable in arrears on the 21st day of February, May, August and November of each year, commencing August 21, 2008, until termination of the Availability Period, and on the last day of Availability Period. In calculating the principal amount outstanding under the Commitment, the calculation shall not include the undrawn amount of any Letters of Credit outstanding. Notwithstanding the foregoing, during the continuance of an Event of Default the commitment fee shall accrue at the annual rate of 2.00%.

Section 15. General. An "Event of Default" shall be deemed to have occurred under this Agreement if:

(a) The County shall fail to make any payment of the principal of or interest on the Loan when the same shall become due and payable, whether by maturity, by acceleration at the discretion of the Bank as provided for in Section 16, or otherwise; or

(b) The County shall default in the performance of or compliance with any term or covenant contained in this Agreement, other than a term or covenant a default in the performance of which or noncompliance with which is elsewhere specifically dealt with, which default or non-compliance shall continue and not be cured within thirty (30) days after (i) notice thereof to the County by the Bank, or (ii) the Bank is notified of such noncompliance or should have been so notified pursuant to the provisions of Section 5(c) of this Agreement, whichever is earlier; or

(c) Any representation or warranty made in writing by or on behalf of the County in this Agreement shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(d) The County admits in writing its inability to pay its debts generally as they become due or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself; or

(e) The County is adjudged insolvent by a court of competent jurisdiction, or it is adjudged a bankrupt on a petition in bankruptcy filed by or against the County, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the County, a receiver or trustee of the County or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof; or

(f) The County shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or the State; or

(g) The County shall default in the due and punctual payment or performance of covenants related to (i) any obligation for the payment of money to the Bank or any other subsidiary or affiliate of Bank of America Corporation or (ii) any obligation for the payment of money in an amount in excess of \$20,000,000 to any other obligee.

Section 16. Effect of Event of Default.

Immediately and without notice, upon the occurrence of any Event of Default, the Bank may declare all obligations of the County under this Agreement to be immediately due and payable without further action of any kind and upon such declaration the principal and interest hereunder shall become immediately due and payable. In addition, and regardless whether such declaration is or is not made, the Bank may also seek enforcement of and exercise all remedies available to it under any applicable law.

Section 17. No Waiver; Cumulative Remedies. No failure or delay on the part of the Bank in exercising any right, power, remedy hereunder shall operate as a waiver of the Bank's rights, powers and remedies hereunder, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy hereunder or thereunder. The remedies herein and therein provided are cumulative and not exclusive of any remedies provided by law or in equity.

Section 18. Amendments, Changes or Modifications to the Agreement. This Agreement shall not be amended, changed or modified except in writing signed by the Bank and the County. The County agrees to pay all of the Bank's costs and reasonable attorneys' fees incurred in modifying and/or amending this Agreement at the County's request or behest.

Section 19. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 20. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any other provisions or sections hereof, and this Agreement shall be construed and enforced to the

end that the transactions contemplated hereby be effected and the obligations contemplated hereby be enforced, as if such illegal or invalid clause, provision or section had not been contained herein.

Section 21. Term of Agreement. Except as otherwise specified in this Agreement, this Agreement and all representations, warranties, covenants and agreements contained herein or made in writing by the County in connection herewith shall be in full force and effect from the date hereof and shall continue in effect until the Letter of Credit has terminated and no amounts are owed to the Bank hereunder.

Section 22. Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy, electronic telephone line facsimile transmission or other similar electronic or digital transmission method (provided customary evidence of receipt is obtained); the day after it is sent, if sent by overnight common carrier service; and five days after it is sent, if mailed, certified mail, return receipt requested, postage prepaid. In each case notice shall be sent to the Notice Address.

Section 23. Applicable Law; Venue. This Agreement shall be construed pursuant to and governed by the substantive laws of the State. The County and the Bank waive any objection either might otherwise have to venue of any action lying in Palm Beach County, Florida.

Section 24. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the successors in interest and permitted assigns of the parties. The County shall have no rights to assign any of its rights or obligations hereunder without the prior written consent of the Bank.

Section 25. No Third Party Beneficiaries. It is the intent and agreement of the parties hereto that this Agreement is solely for the benefit of the parties hereto and no person not a party hereto shall have any rights or privileges hereunder.

Section 26. Attorneys Fees. To the extent legally permissible, the County and the Bank agree that in any suit, action or proceeding brought in connection with this Agreement (including any appeal(s)), the prevailing party shall be entitled to recover costs and attorneys' fees from the other party.

Section 27. Entire Agreement. Except as otherwise expressly provided, this Agreement embodies the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 28. Further Assurances. The parties to this Agreement will execute and deliver, or cause to be executed and delivered, such additional or further documents, agreements or instruments and shall cooperate with one another in all respects for the purpose of out the transactions contemplated by this Agreement.

Section 29. Waiver of Jury Trial.

(a) This Section 29 concerns the resolution of any controversies or claims between the parties, whether arising in contract, tort or by statute, that arise out of or relate to any Loan Document (collectively a "Claim"). For the purposes of this arbitration provision only, the term "parties" shall include any parent corporation, subsidiary or affiliate of the Bank involved in the servicing, management or administration of any obligation described or evidenced by this Agreement.

(b) The parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of any Claim.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective between them as of the date of first set forth above.

PALM BEACH COUNTY, FLORIDA

By: _____
Name:
Title:

BANK OF AMERICA, N.A.

By: _____
Name: Linda A. Mason
Title: Senior Vice President

EXHIBIT A
IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: BANK OF AMERICA, N.A.

PLACE FOR PRESENTATION OF DRAFT: BANK OF AMERICA, N.A.
Trade Services Department
Attention: Stand-by Letter of Credit Operations
One Fleet Way
Scranton, PA 18507

APPLICANT: PALM BEACH COUNTY, FLORIDA

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

LETTER OF CREDIT NUMBER:

DATE OF ISSUE: MAY 22, 2008

STATED AMOUNT: \$23,143,030.00 U.S.D.

STATED EXPIRATION DATE: MAY 21, 2009

At the request and for the account of Palm Beach County, Florida (the "County"), Bank of America, N.A. (the "**Bank**") hereby establishes for the benefit of the Beneficiary named-above, as paying agent ("Paying Agent") for the County's Administrative Complex Revenue Refunding Bonds, Series 1993, this Irrevocable Standby Letter of Credit (the "**Letter of Credit**").

Subject to the other provisions of this Letter of Credit, Paying Agent may obtain the funds available under this Letter of Credit by presentment to the Bank of Paying Agent's sight draft or drafts drawn on Bank of America, N.A.

Demands for payment hereunder honored by the Bank shall not, in the aggregate, exceed the Stated Amount. Each Drawing honored by the Bank hereunder shall pro tanto reduce the Stated Amount. Upon receipt by the Paying Agent of written notice from the Bank in the form of Annex A hereto, the Stated Amount will be reinstated by the amount set forth in such notice.

Each draft presented for payment against this Letter of Credit must be dated the date of its presentation to us, and may be presented only on a Business Day. Drafts must be marked conspicuously "Drawn under Bank of America, N.A. Irrevocable Standby Letter of Credit No. _____." Each draft presented to us must be accompanied by the certification of Paying Agent stating one the following:

"This drawing is required pursuant to one of the Bond Resolutions as defined in the Loan Agreement, dated May 22, 2008, between Bank of America, N.A. and Palm Beach County, Florida."

The certification Paying Agent is required to submit to the Bank along with any draft should be prepared in the form of a letter on Paying Agent letterhead signed by an officer of Paying Agent and may be submitted to the Bank at the physical address set forth above (the "Payment Office of the Bank") or sent by telefacsimile to: 570-330-4187.

As used in this Letter of Credit, "Business Day" shall mean any day other than (a) a Saturday or Sunday or (b) a day on which the Payment Office of the Bank is lawfully closed. Other than the foregoing provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at the Payment Office of the Bank, specifically referring to the number and date of this Letter of Credit.

If a demand for payment made by Paying Agent hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, the Bank shall give Paying Agent prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that the Bank is holding any documents at the disposal of Paying Agent or is returning them to Paying Agent, as the Bank may elect. Upon being notified that the purported demand was not effected in conformity with this Letter of Credit, Paying Agent may attempt to correct any such nonconforming demand for payment if, and to the extent that Paying Agent is entitled (without regard to the provisions of this sentence) and able to do so.

By paying Paying Agent an amount demanded in accordance with this Letter of Credit, the Bank makes no representation as to the correctness of the amount demanded or the calculations of Paying Agent and representations on the certificates required of Paying Agent by this Letter of Credit.

This Letter of Credit is transferable one or more times in whole only to your successor as Paying Agent. Any such transfer (including any successive transfer) shall be effective upon receipt by us (which receipt shall be subsequently confirmed in writing to the transferor and the transferee by the Bank) of a signed copy of the instrument effecting each such transfer signed by the transferor and by the transferee in the form of Annex B hereto (which shall be conclusive evidence of such transfer) and a transfer fee of \$2,500.00.

This Letter of Credit shall expire on the earlier of (i) May 21, 2009 (the "Expiration Date") or (ii) the day on which this Letter of Credit is surrendered by you to the Bank.

This Letter of Credit shall be governed by and construed in accordance with the International Standby Practices (ISP98), and, to the extent not inconsistent therewith, the laws of the State of Florida.

Bank of America, N.A.

By: _____
Name:
Title:

ANNEX A

CERTIFICATE FOR THE REINSTATEMENT OF AMOUNTS

The Bank of New York Trust Company, N.A.
[Address]

Re: Bank of America, N.A.

Irrevocable Standby Letter of Credit No. _____ (the "Credit")

Bank of America, N.A. hereby notifies you that the Stated Amount has been reinstated by the amount of \$ _____.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Credit.

BANK OF AMERICA, N.A.

By: _____

Its:

Date: _____

ANNEX B

TRANSFER CERTIFICATE

Bank of America, N.A.
Trade Services Department
One Fleet Way
Scranton, PA 18507

Reference is made to that certain Irrevocable Standby Letter of Credit No. _____ dated May 22, 2008, as it may have been amended (the "*Letter of Credit*") which has been established by you in favor of The Bank of New York Trust Company, N.A., as Paying Agent.

The undersigned, a duly authorized officer or agent of [Name of Transferor], ("*Transferor*") has transferred and assigned (and hereby confirms to you said transfer and assignment) all of its rights in and under said Letter of Credit to [Name of Transferee] ("*Transferee*") and confirms that [Name of Transferor] no longer has any rights under or interest in said Letter of Credit.

Transferor and Transferee have indicated on the face of said Letter of Credit that it has been transferred and assigned to Transferee.

The undersigned, a duly authorized officer or agent of the Transferee, hereby certifies that the Transferee is a duly authorized Transferee under the terms of said Letter of Credit and is accordingly entitled, upon presentation of the documents called for therein, to receive payment thereunder.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____.

Name of Transferor

By: _____
[Name and Title of Authorized Officer
Transferor]

Name of Transferee

[Name and Title of Authorized Officer
Transferor]

EXHIBIT B

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: BANK OF AMERICA, N.A.

PLACE FOR PRESENTATION OF DRAFT: BANK OF AMERICA, N.A.

Trade Services Department
Attention: Stand-by Letter of Credit Operations
One Fleet Way
Scranton, PA 18507

APPLICANT: PALM BEACH COUNTY, FLORIDA

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

LETTER OF CREDIT NUMBER:

DATE OF ISSUE: MAY 22, 2008

STATED AMOUNT: \$1,962,912.50 U.S.D.

STATED EXPIRATION DATE: MAY 21, 2009

At the request and for the account of Palm Beach County, Florida (the "County"), Bank of America, N.A. (the "**Bank**") hereby establishes for the benefit of the Beneficiary named-above, as paying agent ("Paying Agent") for the County's Administrative Complex Revenue Refunding Bonds, Series 1993, this Irrevocable Standby Letter of Credit (the "**Letter of Credit**").

Subject to the other provisions of this Letter of Credit, Paying Agent may obtain the funds available under this Letter of Credit by presentment to the Bank of Paying Agent's sight draft or drafts drawn on Bank of America, N.A.

Demands for payment hereunder honored by the Bank shall not, in the aggregate, exceed the Stated Amount. Each Drawing honored by the Bank hereunder shall pro tanto reduce the Stated Amount. Upon receipt by the Paying Agent of written notice from the Bank in the form of Annex A hereto, the Stated Amount will be reinstated by the amount set forth in such notice.

Each draft presented for payment against this Letter of Credit must be dated the date of its presentation to us, and may be presented only on a Business Day. Drafts must be marked conspicuously "Drawn under Bank of America, N.A. Irrevocable Standby Letter of Credit No. _____." Each draft presented to us must be accompanied by the certification of Paying Agent stating one the following:

"This drawing is required pursuant to one of the Bond Resolutions as defined in the Loan Agreement, dated May 22, 2008, between Bank of America, N.A. and Palm Beach County, Florida."

The certification Paying Agent is required to submit to the Bank along with any draft should be prepared in the form of a letter on Paying Agent letterhead signed by an officer of Paying Agent and may be submitted to the Bank at the physical address set forth above (the "Payment Office of the Bank") or sent by telefacsimile to: 570-330-4187.

As used in this Letter of Credit, "Business Day" shall mean any day other than (a) a Saturday or Sunday or (b) a day on which the Payment Office of the Bank is lawfully closed. Other than the foregoing provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at the Payment Office of the Bank, specifically referring to the number and date of this Letter of Credit.

If a demand for payment made by Paying Agent hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, the Bank shall give Paying Agent prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that the Bank is holding any documents at the disposal of Paying Agent or is returning them to Paying Agent, as the Bank may elect. Upon being notified that the purported demand was not effected in conformity with this Letter of Credit, Paying Agent may attempt to correct any such nonconforming demand for payment if, and to the extent that Paying Agent is entitled (without regard to the provisions of this sentence) and able to do so.

By paying Paying Agent an amount demanded in accordance with this Letter of Credit, the Bank makes no representation as to the correctness of the amount demanded or the calculations of Paying Agent and representations on the certificates required of Paying Agent by this Letter of Credit.

This Letter of Credit is transferable one or more times in whole only to your successor as Paying Agent. Any such transfer (including any successive transfer) shall be effective upon receipt by us (which receipt shall be subsequently confirmed in writing to the transferor and the transferee by the Bank) of a signed copy of the instrument effecting each such transfer signed by the transferor and by the transferee in the form of Annex B hereto (which shall be conclusive evidence of such transfer) and a transfer fee of \$2,500.00.

This Letter of Credit shall expire on the earlier of (i) May 21, 2009 (the "Expiration Date") or (ii) the day on which this Letter of Credit is surrendered by you to the Bank.

This Letter of Credit shall be governed by and construed in accordance with the International Standby Practices (ISP98), and, to the extent not inconsistent therewith, the laws of the State of Florida.

Bank of America, N.A.

By: _____
Name:
Title:

ANNEX A

CERTIFICATE FOR THE REINSTATEMENT OF AMOUNTS

The Bank of New York Trust Company, N.A.
[Address]

Re: Bank of America, N.A.

Irrevocable Standby Letter of Credit No. _____ (the "Credit")

Bank of America, N.A. hereby notifies you that the Stated Amount has been reinstated by the amount of \$ _____.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Credit.

BANK OF AMERICA, N.A.

By: _____

Its:

Date: _____

ANNEX B

TRANSFER CERTIFICATE

Bank of America, N.A.
Trade Services Department
One Fleet Way
Scranton, PA 18507

Reference is made to that certain Irrevocable Standby Letter of Credit No. _____ dated May 22, 2008, as it may have been amended (the "*Letter of Credit*") which has been established by you in favor of The Bank of New York Trust Company, N.A., as Paying Agent.

The undersigned, a duly authorized officer or agent of [Name of Transferor], ("*Transferor*") has transferred and assigned (and hereby confirms to you said transfer and assignment) all of its rights in and under said Letter of Credit to [Name of Transferee] ("*Transferee*") and confirms that [Name of Transferor] no longer has any rights under or interest in said Letter of Credit.

Transferor and Transferee have indicated on the face of said Letter of Credit that it has been transferred and assigned to Transferee.

The undersigned, a duly authorized officer or agent of the Transferee, hereby certifies that the Transferee is a duly authorized Transferee under the terms of said Letter of Credit and is accordingly entitled, upon presentation of the documents called for therein, to receive payment thereunder.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____.

Name of Transferor

By: _____
[Name and Title of Authorized Officer
Transferor]

Name of Transferee

[Name and Title of Authorized Officer
Transferor]

EXHIBIT C

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: BANK OF AMERICA, N.A.

PLACE FOR PRESENTATION OF DRAFT: BANK OF AMERICA, N.A.

Trade Services Department
Attention: Stand-by Letter of Credit Operations
One Fleet Way
Scranton, PA 18507

APPLICANT: PALM BEACH COUNTY, FLORIDA

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

LETTER OF CREDIT NUMBER:

DATE OF ISSUE: MAY 22, 2008

STATED AMOUNT: \$6,009,851.88 U.S.D.

STATED EXPIRATION DATE: MAY 21, 2009

At the request and for the account of Palm Beach County, Florida (the "County"), Bank of America, N.A. (the "**Bank**") hereby establishes for the benefit of the Beneficiary named-above, as paying agent ("Paying Agent") for the County's Public Improvement Revenue Refunding Bonds, Series 2004 (Convention Center Project), this Irrevocable Standby Letter of Credit (the "**Letter of Credit**").

Subject to the other provisions of this Letter of Credit, Paying Agent may obtain the funds available under this Letter of Credit by presentment to the Bank of Paying Agent's sight draft or drafts drawn on Bank of America, N.A.

Demands for payment hereunder honored by the Bank shall not, in the aggregate, exceed the Stated Amount. Each Drawing honored by the Bank hereunder shall pro tanto reduce the Stated Amount. Upon receipt by the Paying Agent of written notice from the Bank in the form of Annex A hereto, the Stated Amount will be reinstated by the amount set forth in such notice.

Each draft presented for payment against this Letter of Credit must be dated the date of its presentation to us, and may be presented only on a Business Day. Drafts must be marked conspicuously "Drawn under Bank of America, N.A. Irrevocable Standby Letter of Credit No. _____." Each draft presented to us must be accompanied by the certification of Paying Agent stating one the following:

"This drawing is required pursuant to one of the Bond Resolutions as defined in the Loan Agreement, dated May 22, 2008, between Bank of America, N.A. and Palm Beach County, Florida."

The certification Paying Agent is required to submit to the Bank along with any draft should be prepared in the form of a letter on Paying Agent letterhead signed by an officer of Paying Agent and may be submitted to the Bank at the physical address set forth above (the "Payment Office of the Bank") or sent by telefacsimile to: 570-330-4187.

As used in this Letter of Credit, "Business Day" shall mean any day other than (a) a Saturday or Sunday or (b) a day on which the Payment Office of the Bank is lawfully closed. Other than the foregoing provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at the Payment Office of the Bank, specifically referring to the number and date of this Letter of Credit.

If a demand for payment made by Paying Agent hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, the Bank shall give Paying Agent prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that the Bank is holding any documents at the disposal of Paying Agent or is returning them to Paying Agent, as the Bank may elect. Upon being notified that the purported demand was not effected in conformity with this Letter of Credit, Paying Agent may attempt to correct any such nonconforming demand for payment if, and to the extent that Paying Agent is entitled (without regard to the provisions of this sentence) and able to do so.

By paying Paying Agent an amount demanded in accordance with this Letter of Credit, the Bank makes no representation as to the correctness of the amount demanded or the calculations of Paying Agent and representations on the certificates required of Paying Agent by this Letter of Credit.

This Letter of Credit is transferable one or more times in whole only to your successor as Paying Agent. Any such transfer (including any successive transfer) shall be effective upon receipt by us (which receipt shall be subsequently confirmed in writing to the transferor and the transferee by the Bank) of a signed copy of the instrument effecting each such transfer signed by the transferor and by the transferee in the form of Annex B hereto (which shall be conclusive evidence of such transfer) and a transfer fee of \$2,500.00.

This Letter of Credit shall expire on the earlier of (i) May 21, 2009 (the "Expiration Date") or (ii) the day on which this Letter of Credit is surrendered by you to the Bank.

This Letter of Credit shall be governed by and construed in accordance with the International Standby Practices (ISP98), and, to the extent not inconsistent therewith, the laws of the State of Florida.

Bank of America, N.A.

By: _____
Name:
Title:

ANNEX A

CERTIFICATE FOR THE REINSTATEMENT OF AMOUNTS

The Bank of New York Trust Company, N.A.
[Address]

Re: Bank of America, N.A.

Irrevocable Standby Letter of Credit No. _____ (the "Credit")

Bank of America, N.A. hereby notifies you that the Stated Amount has been reinstated by the amount of \$ _____.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Credit.

BANK OF AMERICA, N.A.

By: _____
Its: _____
Date: _____

ANNEX B

TRANSFER CERTIFICATE

Bank of America, N.A.
Trade Services Department
One Fleet Way
Scranton, PA 18507

Reference is made to that certain Irrevocable Standby Letter of Credit No. _____ dated May 22, 2008, as it may have been amended (the "*Letter of Credit*") which has been established by you in favor of The Bank of New York Trust Company, N.A., as Paying Agent.

The undersigned, a duly authorized officer or agent of [Name of Transferor], ("*Transferor*") has transferred and assigned (and hereby confirms to you said transfer and assignment) all of its rights in and under said Letter of Credit to [Name of Transferee] ("*Transferee*") and confirms that [Name of Transferor] no longer has any rights under or interest in said Letter of Credit.

Transferor and Transferee have indicated on the face of said Letter of Credit that it has been transferred and assigned to Transferee.

The undersigned, a duly authorized officer or agent of the Transferee, hereby certifies that the Transferee is a duly authorized Transferee under the terms of said Letter of Credit and is accordingly entitled, upon presentation of the documents called for therein, to receive payment thereunder.

IN WITNESS WHEREOF, this Certificate has been executed this ____ day of _____.

Name of Transferor

By: _____
[Name and Title of Authorized Officer
Transferor]

Name of Transferee

[Name and Title of Authorized Officer
Transferor]

EXHIBIT D

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: BANK OF AMERICA, N.A.

PLACE FOR PRESENTATION OF DRAFT: BANK OF AMERICA, N.A.

Trade Services Department
Attention: Stand-by Letter of Credit Operations
One Fleet Way
Scranton, PA 18507

APPLICANT: PALM BEACH COUNTY, FLORIDA

BENEFICIARY: WELLS FARGO BANK, NATIONAL ASSOCIATION

LETTER OF CREDIT NUMBER:

DATE OF ISSUE: MAY 22, 2008

STATED AMOUNT: \$7,656,937.50 U.S.D.

STATED EXPIRATION DATE: MAY 21, 2009

At the request and for the account of Palm Beach County, Florida (the "County"), Bank of America, N.A. (the "**Bank**") hereby establishes for the benefit of the Beneficiary named-above, as paying agent ("Paying Agent") for the County's Public Improvement Revenue Bonds, Series 2007C (Biomedical Research Park Project), this Irrevocable Standby Letter of Credit (the "**Letter of Credit**").

Subject to the other provisions of this Letter of Credit, Paying Agent may obtain the funds available under this Letter of Credit by presentment to the Bank of Paying Agent's sight draft or drafts drawn on Bank of America, N.A.

Demands for payment hereunder honored by the Bank shall not, in the aggregate, exceed the Stated Amount. Each Drawing honored by the Bank hereunder shall pro tanto reduce the Stated Amount. Upon receipt by the Paying Agent of written notice from the Bank in the form of Annex A hereto, the Stated Amount will be reinstated by the amount set forth in such notice.

Each draft presented for payment against this Letter of Credit must be dated the date of its presentation to us, and may be presented only on a Business Day. Drafts must be marked conspicuously "Drawn under Bank of America, N.A. Irrevocable Standby Letter of Credit No. _____." Each draft presented to us must be accompanied by the certification of Paying Agent stating one the following:

"This drawing is required pursuant to one of the Bond Resolutions as defined in the Loan Agreement, dated May 22, 2008, between Bank of America, N.A. and Palm Beach County, Florida."

The certification Paying Agent is required to submit to the Bank along with any draft should be prepared in the form of a letter on Paying Agent letterhead signed by an officer of Paying Agent and may be submitted to the Bank at the physical address set forth above (the "Payment Office of the Bank") or sent by telefacsimile to: 570-330-4187.

As used in this Letter of Credit, "Business Day" shall mean any day other than (a) a Saturday or Sunday or (b) a day on which the Payment Office of the Bank is lawfully closed. Other than the foregoing provisions for communication by facsimile copy, communications with respect to this Letter of Credit shall be in writing and shall be addressed to the Bank at the Payment Office of the Bank, specifically referring to the number and date of this Letter of Credit.

If a demand for payment made by Paying Agent hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, the Bank shall give Paying Agent prompt notice that the purported demand was not effected in accordance with this Letter of Credit, stating the reasons therefor and that the Bank is holding any documents at the disposal of Paying Agent or is returning them to Paying Agent, as the Bank may elect. Upon being notified that the purported demand was not effected in conformity with this Letter of Credit, Paying Agent may attempt to correct any such nonconforming demand for payment if, and to the extent that Paying Agent is entitled (without regard to the provisions of this sentence) and able to do so.

By paying Paying Agent an amount demanded in accordance with this Letter of Credit, the Bank makes no representation as to the correctness of the amount demanded or the calculations of Paying Agent and representations on the certificates required of Paying Agent by this Letter of Credit.

This Letter of Credit is transferable one or more times in whole only to your successor as Paying Agent. Any such transfer (including any successive transfer) shall be effective upon receipt by us (which receipt shall be subsequently confirmed in writing to the transferor and the transferee by the Bank) of a signed copy of the instrument effecting each such transfer signed by the transferor and by the transferee in the form of Annex B hereto (which shall be conclusive evidence of such transfer) and a transfer fee of \$2,500.00.

This Letter of Credit shall expire on the earlier of (i) May 21, 2009 (the "Expiration Date") or (ii) the day on which this Letter of Credit is surrendered by you to the Bank.

This Letter of Credit shall be governed by and construed in accordance with the International Standby Practices (ISP98), and, to the extent not inconsistent therewith, the laws of the State of Florida.

Bank of America, N.A.

By: _____
Name:
Title:

ANNEX A

CERTIFICATE FOR THE REINSTATEMENT OF AMOUNTS

Wells Fargo Bank, N.A.
[Address]

Re: Bank of America, N.A.
Irrevocable Standby Letter of Credit No. _____ (the "Credit")

Bank of America, N.A. hereby notifies you that the Stated Amount has been reinstated by the amount of \$ _____.

All defined terms used herein which are not otherwise defined shall have the same meaning as in the Credit.

BANK OF AMERICA, N.A.

By: _____

Its: _____

Date: _____

ANNEX B

TRANSFER CERTIFICATE

Bank of America, N.A.
Trade Services Department
One Fleet Way
Scranton, PA 18507

Reference is made to that certain Irrevocable Standby Letter of Credit No. _____ dated May 22, 2008, as it may have been amended (the "*Letter of Credit*") which has been established by you in favor of Wells Fargo Bank, N.A., as Paying Agent.

The undersigned, a duly authorized officer or agent of [Name of Transferor], ("*Transferor*") has transferred and assigned (and hereby confirms to you said transfer and assignment) all of its rights in and under said Letter of Credit to [Name of Transferee] ("*Transferee*") and confirms that [Name of Transferor] no longer has any rights under or interest in said Letter of Credit.

Transferor and Transferee have indicated on the face of said Letter of Credit that it has been transferred and assigned to Transferee.

The undersigned, a duly authorized officer or agent of the Transferee, hereby certifies that the Transferee is a duly authorized Transferee under the terms of said Letter of Credit and is accordingly entitled, upon presentation of the documents called for therein, to receive payment thereunder.

IN WITNESS WHEREOF, this Certificate has been executed this _____ day of _____.

Name of Transferor

By: _____
[Name and Title of Authorized Officer
Transferor]

Name of Transferee

[Name and Title of Authorized Officer
Transferor]