
CITY OF ST. PETE BEACH, FLORIDA

STORMWATER IMPROVEMENT ASSESSMENT BOND RESOLUTION

RESOLUTION NO. 2015-06

ADOPTED MAY 12, 2015

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RESOLUTION NO. 2015-06

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, FLORIDA, AUTHORIZING THE ISSUANCE OF STORMWATER IMPROVEMENT ASSESSMENT BONDS FROM TIME TO TIME FOR THE PRINCIPAL PURPOSES OF FINANCING AND REFINANCING COSTS OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS STORMWATER CAPITAL IMPROVEMENTS; PLEDGING THE MONEYS RECEIVED FROM SPECIAL ASSESSMENTS LEVIED UPON REAL PROPERTY BENEFITED BY SERVICES OF AND IMPROVEMENTS TO THE CITY'S STORMWATER UTILITY SYSTEM TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; COVENANTING TO BUDGET AND APPROPRIATE CERTAIN LEGALLY AVAILABLE NON-AD VALOREM REVENUES TO PAY DEBT SERVICE ON THE BONDS IN THE EVENT THE SPECIAL ASSESSMENTS ARE INSUFFICIENT FOR SUCH PURPOSE; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH BONDS ISSUED HEREUNDER; ACCEPTING THE PROPOSAL OF CAPITAL ONE PUBLIC FUNDING, LLC TO PROVIDE THE CITY WITH A LOAN TO FINANCE CERTAIN COSTS RELATING TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL IMPROVEMENTS TO THE CITY'S STORMWATER UTILITY SYSTEM; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$3,000,000 PRINCIPAL AMOUNT OF THE CITY OF ST. PETE BEACH, FLORIDA STORMWATER IMPROVEMENT ASSESSMENT BOND, SERIES 2015, TO CAPITAL ONE PUBLIC FUNDING, LLC IN ORDER TO EVIDENCE SUCH LOAN; PROVIDING CERTAIN TERMS AND DETAILS OF SAID BOND, INCLUDING AUTHORIZING A NEGOTIATED SALE OF THE SERIES 2015 BOND TO CAPITAL ONE PUBLIC FUNDING, LLC; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER TO NEGOTIATE AND APPROVE THE FINAL TERMS AND DETAILS OF SAID SERIES 2015 BOND IN ACCORDANCE WITH THE TERMS HEREOF; PROVIDING FOR MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE SERIES 2015 BOND ISSUED HEREUNDER; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF ST. PETE BEACH, FLORIDA:

ARTICLE I GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean Chapter 166, Florida Statutes, the Charter of the City of St. Pete Beach, Florida, the Assessment Legislation, and other applicable provisions of law.

"Additional Bonds" shall mean the obligations issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 2015 Bonds.

"Additional Project" shall mean the acquisition and construction of such properties, facilities and improvements to the System as shall be permitted by the Act. This term is to be broadly construed as including any lawful undertaking, including, without limitation, joint ventures and acquisition of partial interests or contractual rights. The description of such Additional Project shall be set forth in the Supplemental Resolution authorizing the issuance of Bonds which shall finance the acquisition, construction and funding of such Additional Project.

"Annual Assessment Resolution" shall mean each annual resolution to be adopted by the Commission in order to impose and levy Assessments for the ensuing Fiscal Year.

"Annual Debt Service" shall mean the aggregate amount of Debt Service on the Bonds for each applicable Fiscal Year.

"Assessment Legislation" shall mean Ordinance No. 2009-30, adopted by the Commission on November 30, 2009, Resolution No. 2010-08, adopted by the Commission on February 23, 2010, Resolution No. 2011-18, adopted by the Commission on October 11, 2011, Resolution No. 2011-19, adopted by the Commission on November 8, 2011, as each may be amended and supplemented from time to time, and each subsequently adopted Annual Assessment Resolution.

"Assessments" shall mean the special assessments lawfully levied by the Issuer in accordance with the Assessment Legislation against properties specially benefited by the System.

"Authorized Investments" shall mean any investments that may be made by the Issuer under applicable law and which are allowed under the Issuer's investment policy.

"Authorized Issuer Officer" shall mean the Mayor or the City Manager, and when used in reference to any act or document, also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean the municipal bond insurance policy or financial guaranty insurance policy or policies issued by an Insurer guaranteeing the payment of the principal of and interest on any portion of the Bonds.

"Bondholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bonds" shall mean the Series 2015 Bonds, together with any Additional Bonds issued pursuant to this Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

"City Manager" shall mean the City Manager of City of St. Pete Beach, Florida, and such other person as may be duly authorized to act on behalf of the City Manager.

"Clerk" shall mean the City Clerk of the City of St. Pete Beach, Florida and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Commission" shall mean the City Commission of the City of St. Pete Beach, Florida.

"Construction Fund" shall mean the fund established pursuant to Section 4.03 hereof.

"Cost" or **"Costs"**, when used in connection with a Project, shall, to the extent permitted by the Act, mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the System during the period of acquisition and construction of such Project and for such period subsequent to completion as the Issuer shall determine and shall be allowed under the applicable provisions of the Code; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses of the financing, including audits, fees and expenses of any Paying Agent, Registrar, escrow agent or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the

Issuer (other than the Bonds) incurred for such Project; (9) costs of machinery or equipment required by the Issuer for the commencement of operation of such Project; (10) other costs or expenses which may be funded from proceeds of the Bonds pursuant to the Act; and (11) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer and interest on any interfund loan related thereto. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Counterparty" shall mean the entity entering into a Hedge Agreement with the Issuer. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

"Credit Bank" shall mean as to any particular Series of Bonds, the Person (other than an Insurer) providing a letter of credit, a line of credit or another credit or liquidity enhancement facility, as designated in the Supplemental Resolution providing for the issuance of such Bonds.

"Credit Facility" shall mean as to any particular Series of Bonds, an irrevocable letter of credit, a line of credit or other credit or legal liquidity facility (other than a Bond Insurance Policy), as approved in the Supplemental Resolution providing for the issuance of such Series of Bonds.

"Debt Service" shall mean, at any time, the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Outstanding Bonds during such period of time, except to the extent that such interest is to be paid from deposits in the Interest Account or Construction Fund made from Bond proceeds for such purpose, (2) principal of Outstanding Serial Bonds maturing in such period of time, and (3) the Sinking Fund Installments scheduled to be paid during such period of time. For purposes of this definition, (A) all amounts payable on a Capital Appreciation Bond shall be considered a principal payment in the year it becomes due, (B) with respect to debt service on any Bonds which relate to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time, (C) if any Series of Bonds has 25% or more of the aggregate principal amount of such Series coming due in any one year, Debt Service shall be determined on such Series during such period of time as if the principal of and interest on such Series were being paid from the date of issuance thereof in substantially equal annual amounts over a period of 25 years, (D) the amount, if any, on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted, and (E) with respect to Debt Service on any Federal Subsidy Bonds, when determining the interest on such Bonds for any particular Interest Date the amount of the corresponding Federal Subsidy Payment shall

be deducted from the amount of interest which is due and payable to the holders of such Bonds on the Interest Date, but only to the extent that the Issuer reasonably believes that it will be in receipt of such Federal Subsidy Payment on or prior to such Interest Date.

"Debt Service Fund" shall mean the Debt Service Fund established pursuant to Section 4.04 hereof.

"Debt Service Reserve Account Policy Agreement" shall mean any agreement securing the obligation of the Issuer to repay Policy Costs associated with a Reserve Account Letter of Credit or Reserve Account Insurance Policy.

"Delinquent Assessments" shall mean, collectively, any and all installments of any Assessments which are not paid on or before they are due.

"Event of Default" shall mean any Event of Default specified in Section 6.01 of this Resolution.

"Federal Securities" shall mean non-callable direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury) or non-callable obligations the principal of and interest on which are unconditionally guaranteed by the United States of America. All such obligations shall not permit redemption prior to maturity at the option of the obligor.

"Federal Subsidy Bonds" shall mean Bonds issued under Section 54AA of the Code, Section 1400U-2 of the Code or any other applicable provision of the Code, the interest on which is not exempt from federal income taxation, with respect to which the Issuer elects to receive, or is otherwise entitled to receive, Federal Subsidy Payments from the United States Department of Treasury.

"Federal Subsidy Payments" shall mean the direct payments made by the United States Department of Treasury to the Issuer with respect to any Federal Subsidy Bonds pursuant to Sections 54AA(g), 6431 and 1400U-2 of the Code, or any other applicable provision of the Code.

"Financial Advisor" shall mean Larson Consulting Services, LLC, and its successors and assigns.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Fitch" shall mean Fitch Ratings and any assigns and successors thereto.

"Hedge Agreement" shall mean an agreement in writing between the Issuer and the Counterparty pursuant to which (1) the Issuer agrees to pay to the Counterparty an

amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on a notional amount specified in such agreement during the period specified in such agreement and (2) the Counterparty agrees to pay to the Issuer an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on all or a portion of a notional amount specified in such agreement during the period specified in such agreement. Hedge Agreement shall also include any financial product or agreement which is used by the Issuer as a hedging device with respect to its obligations to pay interest on the Bonds, or any portion thereof, which is designated by the Issuer as a "Hedge Agreement."

"Hedge Payments" shall mean any amounts payable by the Issuer as interest on the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or a fee or by virtue of termination of a Qualified Hedge Agreement or any obligation to provide collateral.

"Hedge Receipts" shall mean any amounts receivable by the Issuer on the related notional amount under a Qualified Hedge Agreement.

"Insurer" shall mean, with respect to a particular Series of Bonds, such Person as shall have issued a Bond Insurance Policy insuring all or a portion of such Series of Bonds, and its successors and assigns.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Interest Date" or **"interest payment date"** shall be such date or dates for the payment of interest on a Series of Bonds as shall be provided by Supplemental Resolution. Notwithstanding the foregoing, the Interest Dates for the Series 2015 Bond shall be May 1 and November 1 of each year, commencing November 1, 2015.

"Investment Earnings" shall mean all income and earnings derived from investment of moneys in the funds and accounts established hereunder, other than the Rebate Fund.

"Issuer" shall mean the City of St. Pete Beach, Florida, and also includes any authority or other governmental entity to which may hereafter be transferred some or all of the powers and responsibilities of the Issuer with respect to the ownership, financing, operation, enlargement, improvement and maintenance of the System.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding or are to be Outstanding.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in, or determined in accordance with, the Supplemental Resolution of the Issuer authorizing the issuance of such Bonds, or in such other documentation relating to such Variable Rate Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear.

"Maximum Lawful Rate" means the maximum non-usurious rate of interest permitted by applicable law that may be applied to a particular Series of Bonds hereunder.

"Moody's" shall mean Moody's Investors Service, and any assigns and successors thereto.

"Non-Ad Valorem Revenues" shall mean all revenues of the Issuer derived from any source whatsoever other than ad valorem taxation on real or personal property that are deposited to and accounted for in the governmental funds of the Issuer, which are legally available to make the payments required herein, but only after provision has been made by the Issuer for the payment of all essential or legally mandated services.

"Outstanding", when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.05 and 2.07 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean for each Series of Bonds, the paying agent appointed by the Issuer for such Series of Bonds and its successor or assigns, if any. With respect to the Series 2015 Bond, the initial Paying Agent shall be the Issuer acting through the City Manager's office.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, governmental entity or other legal entity.

"Pledged Funds" shall mean (1) the Special Assessments Proceeds, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, except (A) as for the Rebate Fund, and (B) to the extent moneys on deposit in a subaccount of the Reserve Account shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions hereof.

"Policy Costs" shall mean, collectively, the repayment of draws, reasonable expenses and interest related to a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit.

"Prepayments" shall mean any Assessments, or portions thereof, which shall be paid to the Issuer prior to the time the same becomes due.

"Prerefunded Obligations" shall mean 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 (1) which are (A) not callable prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for 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, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or Federal Securities, secured in the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund, are sufficient, as verified by an independent certified public accountant or other expert in such matters, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above, and (4) which are rated in the highest rating category (without regard of gradations, such as "plus" or "minus" of such categories) of one of the Rating Agencies.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Project" shall mean the Series 2015 Project and any Additional Project.

"Purchaser" shall mean, with respect to the Series 2015 Bond, Capital One Public Funding, LLC, and any successor or assigns.

"Qualified Hedge Agreement" shall mean a Hedge Agreement with a Counterparty that at the time it enters into such Hedge Agreement is rated "A-" or better by Standard & Poor's and "A3" or better by Moody's.

"Rating Agencies" shall mean Fitch, Moody's and Standard & Poor's.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 4.04 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Refunding Securities" shall mean Federal Securities and Prerefunded Obligations.

"Registrar" shall mean for each Series of Bonds, the registrar appointed by the Issuer for such Series of Bonds and its successor or assigns, if any. With respect to the Series 2015 Bond, the initial Registrar shall be the Issuer acting through the City Manager's office.

"Reserve Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

"Reserve Account Insurance Policy" shall mean the insurance policy or surety bond deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(5) hereof.

"Reserve Account Letter of Credit" shall mean a letter of credit or line of credit or other credit facility (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(5) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account or a subaccount therein, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) 125% of the average Annual Debt Service for all Outstanding Bonds secured thereby, or (3) the maximum amount of Bond proceeds which may be deposited to the Reserve Account without subjecting the same to yield restriction under the Code, or causing interest on any of the Bonds secured thereby (other than Taxable Bonds) to be included in gross income for purposes of federal income taxation or otherwise violating applicable provisions of the Code; provided, however, the Issuer may establish hereby or by Supplemental Resolution a different Reserve Account Requirement with respect to any particular Series of Bonds pursuant to Section 4.05(B)(4) hereof, which Reserve Account Requirement may be \$0.00. In computing the Reserve Account Requirement in respect of a Series of Bonds that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of calculation, the highest of (i) the actual rate of interest on the date of calculation, (ii) the average interest rate borne by such Variable Rate Bonds for the 12-month period immediately preceding each date of calculation, and (iii) the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation, and (B) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of calculation, the higher of (i) the actual rate of interest on the date of

calculation, and (ii) the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation. The Reserve Account Requirement shall be calculated, and the investments on deposit in the Reserve Account shall be valued, as of September 30 of each year with respect to the next succeeding Fiscal Year. With respect to the Series 2015 Bond, the Reserve Account Requirement shall be \$0.00.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Revenue Fund" shall mean the Revenue Fund established pursuant to Section 4.04 hereof.

"Serial Bonds" shall mean all of the Bonds other than the Term Bonds.

"Series" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or a Supplemental Resolution authorizing the issuance by the Issuer of such Bonds as a separate Series, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

"Series 2015 Bond" shall mean the Issuer's Stormwater Improvement Assessment Bond, Series 2015 authorized pursuant to Section 2.02 hereof.

"Series 2015 Project" shall mean the acquisition, construction, and reconstruction of various stormwater-related capital improvements required in connection with the Blind Pass Road and Pass-A-Grille Way road projects, as more specifically described in the plans and specifications on file or to be on file with the Issuer, with such changes, deletions, additions or modifications to the enumerated improvements, equipment and facilities, or such other improvements, as approved by the Commission.

"Sinking Fund Installment" shall mean an amount designated as such pursuant to the provisions hereof or of a Supplemental Resolution of the Issuer and established with respect to the Term Bonds.

"Special Assessment Proceeds" shall mean the proceeds of the Assessments lawfully collected by the Issuer, including Delinquent Assessments, Prepayments and the interest and penalties on such Assessments, which may lawfully be used to pay debt service on the Bonds.

"Standard and Poor's" or **"S&P"** shall mean Standard and Poor's Ratings Services, and any assigns and successors thereto.

"State" shall mean the State of Florida.

"Subordinated Indebtedness" shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof or deemed subordinate and junior to the Bonds in accordance with the provisions hereof or in accordance with the provisions of such Subordinated Indebtedness.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

"System" shall mean any and all stormwater utility facilities now owned or hereafter owned by the Issuer, which System shall also include any and all improvements, extensions and additions thereto hereafter constructed or acquired either from the proceeds of Bonds or from any other sources, together with all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith, including all contractual rights, rights to capacity and obligations or undertakings associated therewith.

"Taxable Bonds" shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes or that such interest is subject to federal income taxation. Notwithstanding the foregoing, except as otherwise provided herein, Taxable Bonds shall not include Federal Subsidy Bonds.

"Term Bonds" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer.

"Term Bonds Redemption Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act. The Issuer has ascertained and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Act and to carry out and effectuate the plan and purpose

of the Act, and that the powers of the Issuer herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the Issuer.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds and any Credit Bank and Insurer and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and any Credit Bank and Insurer. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and for the benefit, protection and security of any Credit Bank and Insurer but only to the extent and in accordance with the terms hereof. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) The Issuer has heretofore determined that it is necessary and in the best interests of the health, safety and welfare of the Issuer and its inhabitants that the Issuer own, operate, maintain, improve, manage and expand the System.

(B) It is necessary and desirable and in the best interests of the Issuer to borrow moneys from time to time to improve and expand the System and to refinance certain indebtedness related to the System.

(C) For the purposes described above, the Issuer is authorized hereunder to borrow money by issuing its Bonds from time to time as provided herein.

(D) The Issuer has various capital infrastructure needs and requirements in the form of the Series 2015 Project which need to be acquired, constructed and equipped in order to maintain and protect the health, safety and welfare of the citizens of the Issuer.

(E) On the date hereof, the Commission duly enacted Ordinance No. 2015-09 which, among other things, authorized the issuance of debt obligations of the Issuer in an amount not to exceed \$3,000,000 for the principal purposes of financing the Costs of acquisition, construction and equipping of the Series 2015 Project.

(F) Upon the advice of the Issuer's Financial Advisor, after receiving bids pursuant to a Request for Proposals prepared by the Financial Advisor on the Issuer's behalf and at the Issuer's request, the Issuer hereby determines that it is in its best interest

to accept the proposal of the Purchaser to purchase the Series 2015 Bond on the terms set forth in the Purchaser's proposal attached hereto as Exhibit A and as otherwise set forth in this Resolution.

(G) It is in the best interests of the Issuer to finance the Costs of acquisition, construction and equipping of the Series 2015 Project through the issuance of tax-exempt debt obligations and the most efficient and fairest method of financing such Costs is by the issuance of the Series 2015 Bond to the Purchaser secured by and payable from the Pledged Funds as provided herein.

(H) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2015 Bond and the complexity of the transactions relating to such Series 2015 Bond, it is in the best interest of the Issuer to sell the Series 2015 Bond to the Purchaser pursuant to a negotiated sale in accordance with the provisions hereof, allowing the Issuer to choose the date of issuance of the Series 2015 Bond rather than issuing the Series 2015 Bond on an advertised date, thereby permitting the Issuer to obtain the best possible price, terms and interest rate for the Series 2015 Bond.

(I) The Issuer acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with the negotiated sale of the Series 2015 Bond, including a "truth-in-bonding" statement, all of which is set forth in the form of the letter of the Purchaser attached hereto as Exhibit B, an executed copy of which will be received by the Issuer prior to the issuance of the Series 2015 Bond.

(J) The Series 2015 Bond and any subsequently issued Additional Bonds shall be secured by the Pledged Funds as provided herein and such Pledged Funds are not currently pledged or encumbered to any other indebtedness.

(K) The principal of and interest on the Bonds to be issued pursuant to this Resolution, and all other payments provided for in this Resolution will be paid solely from the Pledged Funds in accordance with the terms hereof; and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution, or to make any other payments provided for in this Resolution, and the Bonds shall not constitute a lien upon the System or upon any other property whatsoever of or in the Issuer.

SECTION 1.05. AUTHORIZATION OF THE SERIES 2015 PROJECT; REIMBURSEMENT. The acquisition, construction and equipping of the Series 2015 Project and the financing of Costs thereof from proceeds of the Series 2015 Bond is hereby authorized and approved. Costs of the Series 2015 Project incurred by the Issuer heretofore or hereafter may be reimbursed from proceeds of the Series 2015 Bond in accordance with the applicable provisions of the Code.

SECTION 1.06 ACCEPTANCE OF PROPOSAL. The Issuer hereby accepts the proposal of the Purchaser to provide the Issuer with a loan to finance the Costs of acquisition, construction and equipping of the Series 2015 Project in the form attached hereto as Exhibit A. The City Manager is hereby authorized to execute and deliver any documents required to formally accept such proposal and the terms thereof. All actions taken by such officers or their designees and the Financial Advisor with respect to such proposal prior to the date hereof are hereby authorized and ratified.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND
REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. This Resolution creates an issue of Bonds of the Issuer to be designated as "City of St. Pete Beach, Florida, Stormwater Improvement Assessment Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs. Notwithstanding anything in this Resolution to the contrary, any Series of Bonds issued hereunder may be designated as "Bonds," a "Bond" or a "Note" or such other designation representing an indebtedness pursuant to Supplemental Resolution of the Issuer and if so issued such Bond, Bonds, Note or other designation shall be considered a Bond or Bonds for all purposes of this Resolution.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined by Supplemental Resolution of the Issuer.

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable in such manner and at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; and on such dates; shall have such Interest Dates; and the proceeds shall be used in such manner; all as determined hereby or provided for by Supplemental Resolution of the Issuer. The Issuer may issue Bonds which may be secured by a Credit Facility or by a Bond Insurance Policy of an Insurer all as shall be determined hereby or provided for by Supplemental Resolution of the Issuer. The Commission may delegate approval of the terms, details and sale of a Series of Bonds to an Authorized Issuer Officer hereby or pursuant to Supplemental Resolution.

SECTION 2.02. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2015 BOND. A Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in the aggregate principal amount of not exceeding \$3,000,000 for the principal purposes of financing Costs of the Series 2015 Project and paying costs of issuing such Bonds. Such Series of Bonds shall be designated

as, and shall be distinguished from the Bonds of all other Series by the title, "City of St. Pete Beach, Florida Stormwater Improvement Assessment Bond, Series 2015" (or such other designation as the City Manager may determine). The aggregate principal amount of the Series 2015 Bond to be issued pursuant to this Resolution shall be determined by the City Manager on or prior to the sale of the Series 2015 Bond provided such aggregate principal amount does not exceed \$3,000,000.

The Series 2015 Bond shall be dated as of the date of its delivery to the Purchaser, shall be issued in the form of one fully registered Term Bond in denominations of \$250,000 or any integral multiple of \$1,000 in excess thereof, and shall be numbered one preceded by the letter "R." The Series 2015 Bond shall bear interest from its dated date at a fixed interest rate per annum equal to 2.95% (the "Interest Rate"). Interest on the Series 2015 Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2015 Bond shall be payable semi-annually, on each Interest Date, commencing November 1, 2015. The Series 2015 Bond shall mature on May 1, 2030 and shall be subject to mandatory sinking fund redemption in such Sinking Fund Installments commencing on May 1, 2016 and on each November 1 and May 1 thereafter through the maturity date of the Series 2015 Bond, as determined by the City Manager and approved by the Purchaser, and set forth in the Series 2015 Bond; provided, however, notwithstanding any other provision of the Resolution to the contrary, the Issuer shall not be required to give the holder of the Series 2015 Bond any notice of redemption with respect to the scheduled payment of such Sinking Fund Installments. The Series 2015 Bond shall be sold on a negotiated basis to the Purchaser at a purchase price equal to 100% of the aggregate principal amount thereof. The form of the Purchaser's Disclosure Letter and Truth-in-Bonding Statement to be delivered prior the issuance of the Series 2015 Bond is attached hereto as Exhibit B. The Interest Rate on the Series 2015 Bond shall comply in all respects with Section 215.84, Florida Statutes.

Principal, Sink Fund Installments and interest payable on the Series 2015 Bond on any payment date shall be paid by check, draft, bank wire transfer, or in such other manner as may be agreed by the Issuer and the holder in whose name such Series 2015 Bond shall be registered at the close of business on the date (whether or not a business day) immediately preceding such payment date; provided, that the holder of the Series 2015 Bond shall present and surrender the Series 2015 Bond to the Paying Agent at the designated office of the Paying Agent for the final payment of the principal of the Series 2015 Bond or shall provide evidence that such Series 2015 Bond has been canceled and provided further, that the holder shall not credit payments against the Series 2015 Bond until the holder has actual receipt of such payments. Notwithstanding anything to the contrary herein, the Series 2015 Bonds shall not be required to be presented or surrendered to receive payment in connection with any redemption (including any mandatory sinking fund redemption) until the final maturity date of the Series 2015 Bonds or earlier payment in full of the Series 2015 Bonds. All payments of principal, premium, if applicable, and interest on the Series 2015 Bond shall be payable in any coin

or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 2.03. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed 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 Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.04. AUTHENTICATION. No Bond of any Series shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.08 hereof.

SECTION 2.05. TEMPORARY BONDS. Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.03, and deliver, upon authentication by the Registrar pursuant to Section 2.04 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by Supplemental Resolution, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series 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. All temporary Bonds surrendered in

exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.06. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like 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 Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.06 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.07. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. (A) Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the

transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer 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 or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and 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 Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, shall forthwith (A) on the day prior to an interest payment date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall cause to be issued Bonds and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the Mayor and Clerk for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be destroyed or returned by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the 15 days next preceding an Interest Date on the Bonds of such Series (other than Capital Appreciation Bonds and Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

The Issuer may elect to issue any Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by Supplemental

Resolution. Notwithstanding the foregoing, the Series 2015 Bond shall initially be held in certificated, physical form by the Purchaser and shall not be (i) held in book-entry form or registered with any securities depository, (ii) assigned a CUSIP number, (iii) assigned a separate rating by any Rating Agency or (iv) issued pursuant to any official statement, private placement memorandum or other offering document, in each case without the prior written consent of the Purchaser in its sole discretion.

(B) Notwithstanding any provision of Section 2.07(A) hereof to the contrary, the Purchaser shall have the right at any time to assign, transfer or convey the Series 2015 Bond or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the Issuer unless and until the Purchaser has delivered to the Issuer written notice thereof that discloses the name and address of the assignee or the Loan Servicer (as hereafter provided) and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Purchaser or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing herein shall limit the right of the Purchaser or its assignees to sell or assign participation interests in the Series 2015 Bond to one or more entities listed in (i) or (ii), provided that any sale, assignment, conveyance, participation, custodial or similar agreement under which multiple ownership interests in the Series 2015 Bond are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "Loan Servicer") to act on their behalf with respect to the rights and interests of the Purchaser under the Series 2015 Bond, including with respect to the exercise of rights and remedies of the Purchaser on behalf of such owners upon the occurrence of an event of default under the Series 2015 Bond. Simultaneously with any such transfer, the Purchaser (the transferor) shall transfer and assign to the successor (the transferee) all of its rights, title and interest in this Resolution. The Purchaser covenants that any such sale or transfer shall comply with all applicable laws and the Issuer shall incur no costs with respect to the Loan Servicer.

SECTION 2.08. FORM OF BONDS. The text of the Bonds, except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Issuer, shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

No. R-

\$

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF ST. PETE BEACH, FLORIDA
STORMWATER IMPROVEMENT ASSESSMENT BOND,
SERIES

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	_____, ____	_____, ____	

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of St. Pete Beach, Florida, a municipal corporation duly organized and validly existing under the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on _____ and _____ of each year commencing _____ until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount and interest and the premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the premium, if any, on this Bond, are payable, upon presentation and surrender hereof, at the designated corporate trust office of _____, _____, _____, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by _____, _____, _____, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next

preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to _____, in and for the Issuer, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 166, Florida Statutes, the Charter of the Issuer, the Assessment Legislation (as defined in the hereinafter defined Resolution), and other applicable provisions of law, and Resolution No. 2015-06 duly adopted by the City Commission of the Issuer on May 12, 2015, as it may be amended and supplemented from time to time (the "Resolution"), and is subject to all the terms and conditions of the Resolution. Capitalized terms used herein that are not specifically defined shall have the meanings ascribed thereto in the Resolution.

This Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of (1) the Special Assessments Proceeds, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, except (A) as for the Rebate Fund, and (B) to the extent moneys on deposit in a subaccount of the Reserve Account shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions of the Resolution. The Issuer has also covenanted in the Resolution to budget and appropriate sufficient amounts of legally available Non-Ad Valorem Revenues to pay debt service on the Bonds to the extent that the Pledged Funds are insufficient therefor, but only to the extent and in the manner and subject to the restrictions provided in the Resolution.

It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer, the State of Florida, or any political subdivision thereof, are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer, the State of Florida, or any political subdivision thereof, to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon any property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Funds in accordance with the terms of the Resolution and, to the extent required under the Resolution, this Bond shall also be payable from Non-Ad Valorem Revenues in the manner and to the extent provided in the Resolution. The Issuer may issue additional obligations on parity with the Bonds in accordance with the terms of the Resolution.

[The Issuer has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Resolution, an agent will hold this Bond on behalf of the beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this Bond shall be deemed to have agreed to such arrangement.]

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$_____ and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer shall not be obligated to make any exchange or transfer of the Bonds during the 15 days next preceding an interest payment date or, in the case of any proposed redemption of the Bonds, then, for the Bonds subject to such redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing through such redemption date.

(INSERT REDEMPTION PROVISIONS)

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least 30 days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Registrar; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of other Bonds as to which no such failure or defect has occurred. In the event that less than the full principal amount hereof shall have been called for redemption, the Registered Holder hereof shall surrender this Bond in exchange for one or more Bonds in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

[As long as the book-entry only system is used for determining beneficial ownership of the Bonds, notice of redemption will only be sent to Cede & Co. Cede & Co. will be responsible for notifying the DTC Participants, who will in turn be responsible for notifying the beneficial owners of the Bonds. Any failure of Cede & Co. to notify any DTC Participant, or of any DTC Participant to notify the beneficial owner of any such notice, will not affect the validity of the redemption of the Bonds.]

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

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 the Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the members of the Issuer's City Commission nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

[This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court of the Sixth Judicial Circuit of Florida, in and for Pinellas County, Florida, rendered on _____.]

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the City of St. Pete Beach, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Mayor and to be attested by the manual or facsimile signature of the City Clerk and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the Date of Original Issue.

CITY OF ST. PETE BEACH, FLORIDA

(SEAL)

Mayor

ATTEST:

Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Officer

[Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has no interest herein.]

ASSIGNMENT

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

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entirety

JT TEN -- as joint tenants with right of
survivorship and not as tenants
in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

ARTICLE III REDEMPTION OF BONDS

SECTION 3.01. PRIVILEGE OF REDEMPTION. Except as otherwise provided herein or by Supplemental Resolution, the terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds and Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution. The provisions of this Article III may also be modified pursuant to Supplemental Resolution to accommodate any redemption provisions with respect to Federal Subsidy Bonds or as may otherwise be deemed necessary or desirable with respect to a Series of Bonds.

SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed and, if less than all of the Outstanding Bonds are to be redeemed, the particular maturities and portions thereof to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof. Notwithstanding the foregoing, if less than all of a Term Bond is to be redeemed the aggregate principal amount to be redeemed shall be allocated to the Sinking Fund Installments on a pro-rata basis unless the Issuer, in its discretion, designates a different allocation.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03. NOTICE OF REDEMPTION. Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agents of such Bonds, (B) shall be mailed first class, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (C) shall be mailed, certified mail, postage prepaid, at least 35 days prior to the redemption date to the registered securities depositories and one or more nationally recognized

municipal bond information services as hereinafter provided in this Section 3.03. Failure to mail such notice to such depositories or services or the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred. Such notice shall also be mailed to the Insurer or Credit Bank, if any, of such redeemed Bonds. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Bonds. Notice of optional redemption of Bonds shall only be sent if the Issuer reasonably determines it shall have sufficient funds available to pay the Redemption Price of and interest on the Bonds called for redemption on the redemption date.

Each notice of redemption shall state: (1) the CUSIP numbers, if any, and any other distinguishing number or letter of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

The Issuer may provide that a redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders as soon as practicable.

SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as

requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be cancelled by the Registrar and shall not be reissued.

SECTION 3.06. PURCHASE IN LIEU OF OPTIONAL REDEMPTION. Notwithstanding anything in this Resolution to the contrary, at any time the Bonds are subject to optional redemption pursuant to this Resolution, all or a portion of the Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the Issuer, on the date which would be the redemption date if such Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the Redemption Price which would have been applicable to such Bonds on the redemption date for the account of and at the direction of the Issuer who shall give the Paying Agent, as trustee, notice at least ten days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Bonds or any other Outstanding Bonds. In the event the Paying Agent, as trustee, is so directed to purchase Bonds in lieu of optional redemption, no notice to the holders of the Bonds to be so purchased (other than the notice of redemption otherwise required under this Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the Redemption Price for such Bonds if such Bonds had been redeemed rather than purchased. Each Bond so purchased shall not be canceled or discharged and shall be registered in the name of the Issuer. Bonds to be purchased under this Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

ARTICLE IV
SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds in accordance with the terms of this Resolution, and to the extent provided under Section 4.09 hereof, the Bonds shall be payable from Non-Ad Valorem Revenues to the extent and in the manner provided in Section 4.09 hereof. No Holder of any Bond or any Credit Bank or Insurer shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer except from the Pledged Funds and Non-Ad Valorem Revenues in the manner provided herein.

SECTION 4.02. SECURITY FOR BONDS. The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a senior pledge of and lien upon the Pledged Funds; provided, however, a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy in addition to the security provided herein; and provided further that a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a separate subaccount in the Reserve Account for such Series of Bonds or by not being secured in any manner by the Reserve Account as provided herein or in a Supplemental Resolution. Issuers of a Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be secured in accordance with the provisions hereof. In addition, the Issuer does hereby irrevocably pledge and grant a lien upon the Pledged Funds to the payment of the Policy Costs in accordance with the provisions hereof; provided, however, such pledge and lien shall be junior and subordinate in all respects to the pledge of and lien upon such Pledged Funds granted hereby to the Bondholders. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. Except as otherwise provided by Supplemental Resolution, the obligation of the Issuer to make Hedge Payments to a Counterparty pursuant to a Qualified Hedge Agreement shall be on parity with the Bonds as to lien on and pledge of the Pledged Funds in accordance with the terms hereof (any other payments related to a Qualified Hedge Agreement, including fees, penalties, termination payments and the obligation to collateralize, shall be Subordinated Indebtedness of the Issuer).

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer. The Pledged Funds constitute "receipts derived from the ownership, operation, or disposition of projects or systems of the Issuer that are primarily used or

intended to be used primarily to provide transportation, utility, or other services" of the Issuer as described in 11 U.S.C. § 902(2)(A) and "other revenues or receipts derived from particular functions" of the Issuer as described in 11 U.S.C. § 902(2)(D). It is accordingly the intention of the Issuer that the pledge of such Pledged Funds constitutes a pledge of "special revenues" as described in 11 U.S.C. § 901, et seq.

Except as provided herein, the Issuer shall not directly or indirectly create, incur, assume, permit or suffer to exist, and, at its own cost and expense, promptly remove and shall discharge any lien, encumbrance or charge upon the Pledged Funds (other than as provided in this Resolution), and the Issuer shall take all such action as may be necessary to protect and defend the title and interest of the Issuer in and to the System, and the pledge and lien on the Pledged Funds provided under this Resolution from any such liens, encumbrances and charges.

SECTION 4.03. CONSTRUCTION FUND. The Issuer covenants and agrees to establish, a special fund to be known as the "City of St. Pete Beach, Florida Stormwater Improvement Assessment Bond Construction Fund," which shall be used only for payment of the Costs of Projects. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner hereinafter provided, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution, and there may be paid into the Construction Fund, at the option of the Issuer, any moneys received for or in connection with a Project by the Issuer from any other source. The Issuer shall establish within the Construction Fund a separate account for each Project, the Cost of which is to be paid in whole or in part out of the Construction Fund. Accordingly, there is hereby established within the Construction Fund a separate account with respect to the Series 2015 Project to be deemed the "Series 2015 Project Account."

The proceeds of insurance maintained pursuant to this Resolution against physical loss of or damage to a Project, or of contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the appropriate account of the Construction Fund.

Any moneys received by the Issuer from the State or from the United States of America or any agencies thereof for the purpose of financing part of the Cost of a Project shall be deposited into the appropriate account of the Construction Fund and used in the same manner as other Bond proceeds are used therein; provided that separate accounts or subaccounts may be established in the Construction Fund for moneys received pursuant to the provisions of this paragraph whenever required by Federal or State law.

The Issuer covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the Project for which it was established, except as otherwise provided below. The Issuer shall keep records of such disbursements and payments and shall retain all such records for such period of time as required by applicable law. The Issuer shall make available the records at all reasonable times for inspection by any Holder of any of the Bonds or the agent or representative of any Holder of any of the Bonds.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on Bonds.

The date of completion of the acquisition, construction and equipping of a Project shall be documented by an Authorized Issuer Officer in the appropriate records of the Issuer. Promptly after the date of the completion of a Project, and after paying or making provision for the payment of all unpaid items of the Cost of such Project, the Issuer shall deposit in the following order of priority any balance of moneys remaining in an account in the Construction Fund in (A) another account of the Construction Fund for which the Commission has determined that there are insufficient moneys present to pay the Cost of the related Project, (B) the Reserve Account, to the extent of a deficiency therein, and (C) such other fund or account established hereunder as shall be determined by the Issuer or for any other lawful purpose, provided the Issuer has received the prior approval of Bond Counsel to the effect that such deposit shall not adversely affect the exclusion, if any, of interest on the Bonds (other than Taxable Bonds) from gross income for purposes of Federal income taxation or shall not otherwise affect the status of any Outstanding Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to any Outstanding Federal Subsidy Bonds.

SECTION 4.04. FUNDS AND ACCOUNTS. The following funds and accounts are hereby established: "City of St. Pete Beach Stormwater Improvement Assessment Bonds Revenue Fund," the "City of St. Pete Beach Stormwater Improvement Assessment Bonds Debt Service Fund," and the "City of St. Pete Beach Stormwater Improvement Assessment Bonds Rebate Fund." The Issuer shall maintain in the Revenue Fund two accounts: the "Assessment Account" and the "Expense Account." The Issuer shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Term Bonds Redemption Account," and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Rebate Fund, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders, to the extent provided herein.

The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Bondholders, any one or more of the funds, accounts and subaccounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and be qualified under applicable State law as a depository.

Notwithstanding the foregoing, none of the aforementioned funds and accounts is required to be established prior to the time any such fund or account is required to be funded or otherwise utilized hereunder.

SECTION 4.05. DISPOSITION OF SPECIAL ASSESSMENT PROCEEDS. (A) All Special Assessments Proceeds shall be deposited, as received, into the Assessment Account of the Revenue Fund. Promptly upon receipt of moneys in the Assessment Account, the Issuer shall apply such moneys in the following manner and in the following order of priority:

(1) Expense Account. The Issuer shall deposit into the Expense Account any expenses incurred in connection with the collection of the Assessments or Delinquent Assessments or Prepayments and other administrative expenses relating to the Bonds or the Assessments; all such fees and expenses shall be limited to reasonable fees and expenses. Moneys on deposit in the Expense Account shall also be used to pay principal of and interest on the Bonds (whether at maturity or by redemption) in the event there is a deficiency in the Principal, Interest or Term Bonds Redemption Accounts and the funds in the Reserve Account are insufficient to make up such deficiency.

(2) Interest Account. The Issuer shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Bonds Outstanding (except as to Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. All Hedge Receipts and Federal Subsidy Payments shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which have corresponding Hedge Payments, interest on such Bonds during the term of the Qualified Hedge Agreement shall also be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Issuer (a) for deposit with the Paying Agents to pay the interest on the Bonds on or prior to the date the same shall become due and (b) for Hedge Payments. Any Federal Subsidy Payments deposited to the Interest Account shall be deemed to have been

applied to the payment of interest on the Federal Subsidy Bonds to which such Payments relate. The Issuer shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to Debt Service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Counterparty to the Qualified Hedge Agreement relating to such Bonds shall be paid to such Counterparty on a parity basis with the aforesaid required payments into the Sinking Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(3) Principal Account. Commencing no later than the month which is one year prior to the first principal payment date, the Issuer shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts on all Bonds Outstanding due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of 12 equivalent calendar months having 30 days each), except for the Sinking Fund Installments to be deposited pursuant to Section 4.05(B)(4) hereof, in equal amounts from the next preceding principal payment due date, or, if there be no such preceding principal payment due date from a date no later than one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the Issuer for deposit with the Paying Agents to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature and monthly payments into the Principal Account on account of such Bonds shall commence in the twelfth month immediately preceding the maturity date of such Bonds. The Issuer shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the

moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(4) Term Bonds Redemption Account. Commencing in the month which is one year prior to the first Sinking Fund Installment due date, there shall be deposited to the Term Bonds Redemption Account the sum which, together with the balance in such Account, shall equal the Sinking Fund Installments on all Bonds Outstanding due and unpaid and that portion of the Sinking Fund Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Sinking Fund Installments were deemed to accrue monthly (assuming that a year consists of 12 equivalent calendar months having 30 days each) in equal amounts from the next preceding Sinking Fund Installment due date, or, if there is no such preceding Sinking Fund Installment due date, from a date not later than one year preceding the due date of such Sinking Fund Installment. Moneys in the Term Bonds Redemption Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. Term Capital Appreciation Bonds shall be payable from the Term Bonds Redemption Account in the years in which such Bonds mature and monthly payments into the Terms Bonds Redemption Account on account of such Bonds shall commence in the twelfth month immediately preceding the due date of the related Sinking Fund Installments. The Issuer shall adjust the amount of the deposit to the Term Bonds Redemption Account on the month immediately preceding any Sinking Fund Installment due date so as to provide sufficient moneys in the Term Bonds Redemption Account to pay the Sinking Fund Installments becoming due on such date. Payments to the Term Bonds Redemption Account shall be on parity with payments to the Principal Account.

Amounts accumulated in the Term Bonds Redemption Account with respect to any Sinking Fund Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Sinking Fund Installment was established) may be applied by the Issuer, on or prior to the 60th day preceding the due date of such Sinking Fund Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms. Amounts in the Term Bonds Redemption Account which are used to redeem Term Bonds shall be credited against the next succeeding Sinking Fund Installment which shall become due on such Term Bonds. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Term Bonds Redemption Account until such Sinking Fund Installment due date, for the purposes of calculating the amount of such Account. As soon as practicable after the 60th day preceding the due date of any such Sinking Fund Installment, the

Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Term Bonds maturing on a Sinking Fund Installment due date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Issuer shall pay out of the Term Bonds Redemption Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Operation and Maintenance Fund.

(5) Reserve Account. There shall be deposited to the Reserve Account an amount which would enable the Issuer to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether such shortfall was caused by an increase in the applicable Reserve Account Requirement, a decrease in the aggregate market value of the investments therein of more than 5% or withdrawal (whether from cash or a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the Issuer to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Term Bonds Redemption Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be applied as directed by Bond Counsel. The Issuer shall promptly inform each Insurer and Credit Bank of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the Reserve Account in an amount at least equal to the applicable Reserve Account Requirement to the extent such Series of Bonds are to be secured by the Reserve Account or any subaccount therein; provided, however, nothing herein shall be construed to require the Issuer to fund the Reserve Account or any subaccount for any Series of Bonds. Upon the

adoption of the Supplemental Resolution authorizing the issuance of a Series of Bonds, the Issuer shall determine whether such Series of Bonds shall be secured by the Reserve Account or any subaccount therein and, if the Issuer determines that the Series of Bonds will be secured by a separate subaccount therein, the Issuer shall also establish the Reserve Account Requirement applicable thereto. Such required amount, if any, shall be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account or subaccount therein over a period of months from the date of issuance of such Series of Bonds, which shall not exceed 36 months.

Notwithstanding the foregoing provisions, in lieu of or in substitution of any required deposits into the Reserve Account or any subaccount therein, the Issuer may cause to be deposited into the Reserve Account or subaccount a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account or subaccount, if any. The Issuer may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account or a subaccount therein upon compliance with the terms of this Section 4.05(B)(4). Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date or redemption 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. Upon the initial deposit of any such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, the provider thereof shall be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, or the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"), or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating in one of the two highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"). Any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall equally secure all Bonds secured by the Reserve Account or subaccount into which such Policy or Letter of Credit is deposited.

Each Reserve Account Insurance Policy and Reserve Account Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the provider of the Reserve Account Insurance Policy or Reserve Account

Letter of Credit to reimbursement will be subordinated to cash replenishment of the Reserve Account or subaccount to an amount equal to the difference between the full original amount available under the Reserve Account Insurance Policy or Reserve Account Letter of Credit and the amount then available for further draws or claims. If (a) the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit becomes insolvent or (b) the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit defaults in its payment obligations thereunder or (c) the rating of the provider of a Reserve Account Insurance Policy falls below a rating of "A-" or "A3" by all of the Rating Agencies then rating such provider or (d) the rating of the provider of a Reserve Account Letter of Credit falls below a rating of "AA-" or "Aa3" by all of the Rating Agencies, the obligation to reimburse the provider of the Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be subordinate to the cash replenishment of the Reserve Account or subaccount. Where applicable, the amount available for draws or claims under a Reserve Account Insurance Policy or Reserve Account Letter of Credit may be reduced by the amount of cash or investments deposited in the Reserve Account or subaccount pursuant to the provisions hereof.

If the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or if the Reserve Account Insurance Policy or Reserve Account Letter of Credit is no longer valid and enforceable, the Issuer shall either (i) deposit into the Reserve Account or subaccount an amount sufficient to cause the cash or investments on deposit in the Reserve Account or applicable subaccount to equal the Reserve Account Requirement on all Outstanding Bonds then secured by such Reserve Account or subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such instrument with a Reserve Account Insurance Policy or a Reserve Account Letter of Credit meeting the requirements described herein within six months of such occurrence.

If three days prior to an Interest Date or principal payment date, or such other period of time as shall be required by the terms of the Reserve Account Insurance Policy or Reserve Account Letter of Credit, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on the Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit and submit a demand for payment pursuant to the provisions of such Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit, (b) the Paying Agent, and (c) the Insurer or Credit Bank, if any, of the amount of such deficiency and the date on which such payment is due.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy by executing and delivering to such issuer a promissory Bond or other evidence therefor; provided, however, any such Bond or evidence (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from the Pledged Funds in the manner provided herein. The obligation to reimburse the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit for any Policy Costs shall be subordinate to the payment of Debt Service on the Bonds.

The term "Paying Agent" as used in this Section 4.05(B)(5) may include one or more Paying Agents for the Outstanding Bonds.

Whenever the amount of cash in the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred to the other Accounts of the Sinking Fund for the payment of the Bonds.

The Issuer may also establish a separate subaccount in the Reserve Account for any Series of Bonds and such subaccount shall be pledged to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount of the Reserve Account at such level as the Issuer deems appropriate. In the event the Issuer establishes the Reserve Account Requirement for a particular Series of Bonds to be zero (0.00) or it shall determine that such Series are not to be secured in any manner by the Reserve Account or a subaccount, then it shall not be required to establish a separate subaccount; provided, however, such Series of Bonds shall have no lien on or pledge of any moneys on deposit in the Reserve Account. Moneys used to replenish the Reserve Account shall be deposited in the separate subaccounts in the Reserve Account and in the Reserve Account on a pro-rata basis.

The Reserve Account Requirement with respect to the Series 2015 Bond shall be \$0.00 and the Series 2015 Bond shall not be secured by the Reserve Account or any separate subaccount therein.

In the event the Issuer shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in the Reserve Account or any subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance Policy or Reserve Account Letter of Credit. The provisions of the Debt Service Reserve Account Policy Agreements, when executed and delivered, shall be incorporated herein by reference. The provisions of such Agreements shall supersede the provisions hereof to the extent of any conflict herewith provided that payments to any Credit Bank or Insurer may not be senior to payments required to be made to Bondholders hereunder.

(6) Excess Special Assessment Proceeds. The balance of any Special Assessment Proceeds shall be held by the Issuer and applied for any lawful purpose of the System, including but not limited to making required deposits to the Rebate Fund, paying operating and capital expenses of the System and redeeming Bonds. Any such excess Special Assessment Proceeds shall be applied to pay debt service on the Bonds to the extent of any deficiency in any of the foregoing funds and accounts.

(B) Whenever moneys on deposit in the Debt Service Fund are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), no further deposits to the Debt Service Fund need be made. If on any payment date the Special Assessment Proceeds is insufficient to deposit the required amount in any of the funds or accounts or for any of the purposes provided above, the deficiency shall be made up on the subsequent payment dates.

The Issuer, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(C) In the event the Issuer shall issue a Series of Bonds secured by a Credit Facility, the Issuer may establish separate subaccounts in the Interest Account, the Principal Account and the Term Bonds Redemption Account to provide for payment of the principal of and interest on such Series; provided payment from the Pledged Funds or Non-Ad Valorem Revenues of one Series of Bonds shall not have preference over payment of any other Series of Bonds. The Issuer may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in Section 4.05(A) as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Debt Service Fund may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of, premium, if any, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the holders thereof for payment; provided such Credit Facility shall have no priority over Bondholders or an Insurer to amounts on deposit in the Debt Service Fund. Other payments due to a Credit Bank in relation to obligations arising under its Credit Facility may be on parity with the Bonds as to source of and security for payment to the extent provided in the Supplemental Resolution relating thereto.

SECTION 4.06. REBATE FUND. Amounts on deposit in the Rebate Fund shall be held in trust by the Issuer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Issuer) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. For any Series of Bonds for which the rebate requirements of Section 148(f) of the Code are applicable, the Issuer agrees to undertake all actions required of it in its arbitrage certificate related to such Series of Bonds, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(B) depositing the amount determined in clause (A) above into the Rebate Fund;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificate may be amended without the consent of any Holder, Credit Bank or Insurer from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

SECTION 4.07. INVESTMENTS. Moneys on deposit in the Construction Fund, the Revenue Fund and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Revenue Fund and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will

be needed for the purposes of such fund or account. Moneys on deposit in the Reserve Account may be invested or reinvested in Authorized Investments which shall mature no later than ten years from the date of investment. All investments shall be valued at cost; provided, that the amounts on deposit in the Reserve Account shall be valued at the market price thereof. Investments in the Reserve Account shall be valued by the Issuer on an annual basis of September 30 of each year.

Any and all income received by the Issuer from the investment of moneys in each account of the Construction Fund, the Revenue Fund, the Interest Account, and the Reserve Account (to the extent such income and the other amounts in the Reserve Account does not exceed the Reserve Account Requirement applicable thereto), shall be retained in such respective Fund or Account. Any and all income received by the Issuer from the investment of moneys in the Reserve Account (only to the extent such income and other amounts in the Reserve Account exceeds the Reserve Account Requirement), the Principal Account and the Term Bonds Redemption Account shall be deposited in the Interest Account.

Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.08. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

The designation and establishment of the various funds, accounts and subaccounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

SECTION 4.09. COVENANT TO BUDGET AND APPROPRIATE. The Issuer covenants and agrees that, in the event the Pledged Funds (excluding the Reserve Account) are insufficient to pay scheduled debt service on the Bonds as provided in this Resolution, it shall appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues amounts sufficient to pay principal of and interest on the Bonds when due and shall apply such appropriated Non-Ad Valorem Revenues to the payment of debt service on the Bonds prior to drawing on any amounts on deposit in the

Reserve Account or drawing against any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit in the Reserve Account. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Issuer, the Issuer does not covenant to maintain any services or programs, now provided or maintained by the Issuer, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Bondholders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Bonds, in the manner and to the extent provided herein, Non-Ad Valorem Revenues and placing on the Issuer a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241(3), Florida Statutes, which generally provide that the Commission of each municipality may only make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the Issuer or which are legally mandated by applicable law.

ARTICLE V
SUBORDINATED INDEBTEDNESS, ADDITIONAL BONDS, AND COVENANTS
OF ISSUER

SECTION 5.01. SUBORDINATED INDEBTEDNESS. The Issuer will not issue any other obligations, except under the conditions and in the manner provided herein, payable from the Pledged Funds (or any portion thereof) or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of such Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution and provided further that the issuance of such Subordinated Indebtedness shall be subject to any provisions contained in financing documents securing outstanding Subordinated Indebtedness to the extent such provisions impact on the ability of the Issuer to issue Subordinated Indebtedness. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Issuer agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: (i) financing or refinancing the Cost of a Project, or the completion thereof, or (ii) refunding any or all Outstanding Bonds, any Subordinated Indebtedness of the Issuer, or any other indebtedness of the Issuer that it may lawfully refund with proceeds of Bonds.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) Except as otherwise provided in Section 5.02(F) hereof, there shall have been obtained and filed with the Issuer and the Purchaser a statement of an Authorized Issuer Officer: (1) stating that the books and records of the Issuer relating to the Special Assessment Proceeds have been examined by him; (2) setting forth the amount of Special Assessment Proceeds received by the Issuer during the immediate prior Fiscal Year; and (3) stating that the amount of the Special Assessment Proceeds received during such prior Fiscal Year equals at least 1.15 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made.

(B) In the event the Issuer has increased the rate at which Special Assessment Proceeds are imposed and such increased rate was not in effect during the immediate prior Fiscal Year, then for the purposes of determining whether there are sufficient Special Assessment Proceeds to meet the coverage test specified in Section 5.02(A) hereof, the Authorized Issuer Officer shall adjust the amount of Special Assessment Proceeds which were received during such prior Fiscal Year to take into account the additional amount of Special Assessment Proceeds such increased rate would have generated if it had been in effect for such prior Fiscal Year; provided, however, that such adjustment shall only be made if the rate has been increased prior to the date the statement of the Authorized Issuer Officer referred to in Section 5.02(A) hereof is made and such rate will remain in effect at least until the final maturity of the Bonds Outstanding at the time of issuance of the Additional Bonds.

(C) For the purpose of determining the Debt Service under this Section 5.02, the interest rate on additional parity Variable Rate Bonds then proposed to be issued shall be deemed to be the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(D) For the purpose of determining the Debt Service under this Section 5.02, the interest rate on Outstanding Variable Rate Bonds shall be deemed to be (1) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the date of sale of such Additional Bonds, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, or (2) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of sale of such Additional Bonds, the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(E) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and securing of the Holders of all Bonds issued pursuant to this Resolution. Except as provided in Sections 4.02 and 4.05 hereof, all Bonds regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other.

(F) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of this Section 5.02 hereof shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

SECTION 5.03. BOND ANTICIPATION NOTES. The Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by resolution of the Issuer.

SECTION 5.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS. The Issuer may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Issuer shall meet all the requirements imposed upon the issuance of Additional Bonds by Section 5.02 hereof, assuming, for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds, and (B) if such Subordinated Indebtedness will be secured in any manner by the Reserve Account or a subaccount therein, the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.05(A)(5) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

SECTION 5.05. BOOKS AND RECORDS. The Issuer will keep books and records of the receipt of the Special Assessment Proceeds in accordance with generally accepted accounting principles, and any Credit Bank, Insurer, or Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.06. ANNUAL AUDIT. The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. The annual financial statement shall be prepared in conformity with generally accepted accounting principles consistently applied. A copy of the audited financial statements for each Fiscal Year shall be furnished to each Credit Bank or Insurer. The Issuer shall be permitted to make a reasonable charge for furnishing such audited financial statements.

SECTION 5.07. ANNUAL BUDGET. The Issuer shall annually prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with applicable law. If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted.

The Issuer shall mail copies of or make available such Annual Budgets and amended Annual Budgets and all resolutions authorizing increased expenditures for Operating Expenses to any Credit Bank or Insurer of Bonds who shall file its address with the Clerk and request in writing that copies of all such Annual Budgets and resolutions be furnished to it and shall make available all such Annual Budgets and resolutions and ordinances authorizing increased expenditures for Operating Expenses of the System at all reasonable times to any Holder or Holders of Bonds or to anyone acting for and on behalf of such Holder or Holders.

SECTION 5.08. NO IMPAIRMENT. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the Commission, except as otherwise provided herein. The Issuer shall not amend the Assessment Legislation in any manner that would adversely affect the rights of the Bondholders.

SECTION 5.09. ENFORCEMENT OF PAYMENT OF SPECIAL ASSESSMENT PROCEEDS. The Issuer covenants to do all things necessary or required on its part by this Resolution and the Assessment Legislation, the Act or other applicable provisions of law, to maintain the levy of the Assessments and the collection and receipt of the Special Assessment Proceeds by the Issuer in the manner prescribed by this Resolution, the Assessment Legislation and all other resolutions, ordinances or laws appertaining thereunto. The Issuer covenants to adopt each year an Annual Assessment Resolution in order to impose and levy Assessments for the ensuing Fiscal Year sufficient to pay all amounts payable from Pledged Funds. The Issuer shall deposit the Special Assessment Proceeds, as received into the Assessment Account of the Revenue Fund. Absent a default or delinquency in the payment of any Assessment, nothing herein shall require the prepayment of any installment due on an Assessment prior to its due date, except as otherwise provided by the Assessment Legislation. The Issuer shall levy the Assessments to the full extent permitted by law and the Assessment Legislation. The Issuer shall cause the Special Assessment Proceeds to be collected pursuant to the Uniform Assessment Collection Act (as defined in the Assessment Legislation).

The Issuer shall diligently enforce all of the provisions of the Assessment Legislation to ensure its receipt of the Special Assessment Proceeds in amounts sufficient to pay the scheduled debt service on the Bonds and all other amounts due under this Resolution. Each Fiscal Year the Issuer shall adopt an Annual Assessment Resolution in accordance with the Assessment Legislation and applicable law in order to provide for the levy and collection of Assessments for the subsequent Fiscal Year in an amount sufficient to pay all amounts payable from Pledged Funds during such subsequent Fiscal Year.

The Issuer shall impose Assessments against all properties that are specially benefitted by the System in the manner and to the extent provided in the Assessment Legislation.

SECTION 5.10. RE-ASSESSMENTS. If any Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Assessment when it might have done so, the Issuer shall either (A) take all necessary steps to cause a new Assessment to be made for the whole or any part of said service or improvement or against any real property benefitted by said service or improvement, or (B) in its sole discretion, make up the amount of such Assessment from legally available moneys, which moneys shall be deposited into the Assessment Account.

SECTION 5.11. COVENANTS WITH CREDIT BANKS AND INSURERS. The Issuer may make such covenants as it may, in its sole discretion, determine to be appropriate with any Insurer, Credit Bank or other financial institution that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support that shall enhance the security or the value of such Bonds. Such covenants may be set forth in the applicable Supplemental Resolution and shall be binding on the Issuer, the Registrar, the Paying Agent and all the Holders of Bonds the same as if such covenants were set forth in full in this Resolution, provided such covenants shall not diminish or have priority over the security for any of the Bonds Outstanding.

SECTION 5.12. FEDERAL INCOME TAX COVENANTS; TAXABLE BONDS. The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds), that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in gross income for purposes of federal income taxation.

The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become includable in gross income for purposes of federal income taxation.

The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income taxation purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become subject to federal income taxation. The covenants set forth in this Section 5.12 shall not apply to any Taxable Bonds.

SECTION 5.13. INSURANCE; REGULATORY COMPLIANCE. (A) The Issuer will carry such insurance as is ordinarily carried by private or public entities owning and operating utilities similar to the System with a reputable insurance carrier or carriers, in such amounts as the Issuer shall determine to be sufficient and such other insurance against loss or damage by fire, explosion, hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System, or such other amount or amounts as an insurance consultant who has a favorable reputation and experience and is qualified to survey risks and to recommend insurance coverage for Persons engaged in operations similar to the System, shall recommend or approve as sufficient.

The Issuer may establish certain levels of insurance for which the Issuer may self-insure. Such levels of insurance shall be in amounts as recommended by an insurance consultant who has a favorable reputation and experience and is qualified to survey risks and to recommend insurance coverage for Persons engaged in operations similar to the System.

(B) The Issuer will comply in all respects with all regulatory requirements applicable to the System and shall maintain all required permits and licenses necessary for the continued operation of the System.

**ARTICLE VI
DEFAULTS AND REMEDIES**

SECTION 6.01. EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of or Sinking Fund Installment, redemption premium or interest on any Bond when due. In determining whether a payment default has occurred, no effect shall be given to payment made under a Bond Insurance Policy.

(B) There shall occur the dissolution or liquidation of the Issuer or the System, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer or the System as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver, emergency manager, liquidator or similar official for the Issuer or the System, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) Except as otherwise provided herein, the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of 90 days after written notice of such default shall have been received from the Holders of not less than 25% of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the Issuer shall not be deemed to be in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until default has been corrected.

SECTION 6.02. REMEDIES. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable.

The Holder or Holders of Bonds in an aggregate principal amount of not less than 25% of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to

represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of such appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03. DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS. The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring any then Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Series of Bonds owned by such Holders or insured by such Insurer, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05. WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient. No Event of Default may be waived without the consent of each Insurer, which has honored all its obligations under its Bond Insurance Policy.

SECTION 6.06. APPLICATION OF MONEYS AFTER DEFAULT. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver or other similar official appointed for the purpose shall apply all Pledged Funds (except as for amounts in the subaccounts, if any, of the Reserve Account which shall be applied to the payment of the Series of Bonds for which they were established) as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

(B) To the payment of the interest (including Hedge Payments) and principal, Sinking Fund Installment or Redemption Price, if applicable, then due on the Bonds (provided such payments are made in accordance with applicable law), as follows;

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal or Sinking Fund Installment of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal or Sinking Fund Installment, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(C) To the payment of all amounts owed to the Insurers and Credit Banks not covered by subsections (A) or (B) above.

SECTION 6.07. CONTROL BY INSURER. To the extent an Insurer makes any payment of principal of or interest on Bonds in accordance with its Bond Insurance Policy, such Insurer shall become subrogated to the rights of the recipients of such payments in accordance with the terms of its Bond Insurance Policy. Upon the occurrence and continuance of an Event of Default, an Insurer of a Series of Bonds, if such Insurer shall not be in payment default under its Bond Insurance Policy, shall be deemed to be the sole owner of such Bonds for purposes of (A) directing and controlling the enforcement of all rights and remedies with respect to such Series of Bonds, including any waiver of an Event of Default and removal of any trustee, and (B) exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of such Bonds are entitled to take pursuant to this Article VI hereof. No provision expressly recognizing or granting rights in or to an Insurer shall be modified without the consent of such Insurer. An Insurer's rights under this Section 6.07 shall be suspended during any period in which such Insurer is in default in its payment obligations under its Bond Insurance Policy (except to the extent of amounts previously paid by such Insurer and due and owing to such Insurer) and shall be of no force or effect if its Bond Insurance Policy is no longer in effect or if the Insurer asserts that its Bond Insurance Policy is not in effect or if the Insurer waives such rights in writing. The rights granted to an Insurer under this Section 6.07 are granted in consideration of such Insurer issuing its Bond Insurance Policy. The Issuer shall provide each Insurer immediate notice of any Event of Default described in Section 6.01(A) hereof and notice of any other Event of Default occurring hereunder within 30 days of the occurrence thereof. Each Insurer of any Bonds hereunder shall be considered a third-party beneficiary to the Resolution with respect to such Bonds.

**ARTICLE VII
SUPPLEMENTAL RESOLUTIONS**

SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Sections 2.01 or 2.02 hereof, including the issuance of Additional Bonds, and also any other matters and things relative to such Additional Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To authorize Additional Projects or to change or modify the description of the Series 2015 Project or any Additional Project.

(G) To specify and determine matters necessary or desirable for the issuance of Capital Appreciation Bonds, Federal Subsidy Bonds or Variable Rate Bonds.

(H) To provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds issued hereunder.

(I) To make any other change that, in the opinion of the Issuer, would not adversely affect the security for the Bonds. In making such determination, the Issuer shall not take into consideration any Bond Insurance Policy.

SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS', INSURERS' AND CREDIT BANKS' CONSENT. Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of any Credit Bank that has provided a Credit Facility and the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect if such Insurer and Credit Bank are not in payment default under their Bond Insurance Policy or Credit Facility, as the case may be. No Supplemental Resolution may be approved or adopted which shall permit or require, without the consent of all affected Bondholders, (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution, or except as otherwise permitted or provided hereby, which adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of separate subaccounts in the Reserve Account provided in Section 4.05(B)(4) hereof), or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurers or the Credit Banks of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Notwithstanding any other provision of this Section 7.02, Holders of Bonds shall be deemed to have provided consent pursuant to this Section 7.02 if the offering document for such Bonds expressly describes the Supplemental Resolution and the amendments to this Resolution contained therein and states by virtue of the Holders' purchase of such Bonds the Holders are deemed to have notice of, and consented to, such Supplemental Resolution and amendments.

SECTION 7.03. AMENDMENT WITH CONSENT OF INSURERS AND CREDIT BANKS ONLY. For purposes of amending this Resolution pursuant to Section 7.02 hereof, an Insurer of Bonds and the Credit Bank providing a Credit Facility shall be considered the Holder of such Bonds which it has insured or provided a Credit Facility. The consent of the Holders of such Bonds shall not be required if the Insurer of such Bonds and any such Credit Bank shall consent to the amendment as provided by this Section 7.03 and such Insurer and Credit Bank is not in default with respect to its obligations under its Bond Insurance Policy or Credit Facility. At least 15 days prior to adoption of any amendment made pursuant to this Section 7.03, notice of such amendment shall be delivered to the Rating Agencies rating the Bonds. Upon filing with the Clerk of evidence of such consent the Insurers and Credit Banks as aforesaid, the

Issuer may adopt such Supplemental Resolution. After the adoption by the Issuer of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 7.03 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in Clauses (A), (B), (C), (D) or (E) in the first paragraph of Section 7.02 hereof.

ARTICLE VIII DEFEASANCE

SECTION 8.01. DEFEASANCE. If (A) the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Series of Bonds the principal and interest or Redemption Price, plus accrued interest, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, and (B) the Issuer shall pay all Policy Costs owing to any provider of a Reserve Account Letter of Credit or Reserve Account Insurance Policy and all amounts owing to the Insurers and Credit Banks, then all covenants, agreements and other obligations of the Issuer to the holders of such Series of Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for payment or redemption of any Series of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 8.01 if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (ii) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant or nationally recognized company that provides verification services for municipal bonds to be in such amount that the principal of and the interest on or Redemption Price thereof which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of, premium, if any, and interest due and to become due on said Bonds through and including the maturity date and/or redemption date, as applicable, thereof. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of maturity and/or redemption date, as applicable; provided, however, the Issuer may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on or Redemption Price of the refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 8.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

If Bonds are not to be redeemed or paid within 60 days after any such defeasance described in this Section 8.01, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity date and/or redemption date, as applicable, upon which moneys are to be available for the payment of the principal of and interest on or Redemption Price of said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 8.01.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

Notwithstanding anything herein to the contrary, in the event that the principal of or interest due on the Bonds shall be paid by an Insurer or Insurers, such Bonds shall remain Outstanding, shall not be defeased or otherwise satisfied and shall not be considered paid by the Issuer, and the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the Bondholders shall continue to exist and such Insurer or Insurers shall be subrogated to the rights of such Bondholders.

**ARTICLE IX
PROVISIONS RELATING TO SERIES 2015 BOND**

SECTION 9.01. OPTIONAL REDEMPTION OF SERIES 2015 BOND.

Prior to May 1, 2021, the Series 2015 Bond shall not be subject to optional redemption. On and after May 1, 2021, the Series 2015 Bond may be redeemed, at the option of the Issuer, from any moneys legally available therefor, in whole or in part on any Interest Date, by paying to the holder of the Series 2015 Bond the principal portion of the Series 2015 Bond to be redeemed, together with the unpaid interest accrued on such principal amount to the date of such redemption, at a Redemption Price equal to the principal amount of the Series 2015 Bond to be redeemed, plus accrued interest to the redemption date, without premium; provided, however, with respect to any partial redemption, the Issuer may only make one partial redemption of up to \$500,000 for each 12-month period commencing on May 1 and ending on the immediately succeeding April 30.

Notwithstanding the provisions of Section 3.03 hereof, each redemption of the Series 2015 Bond shall be made on such date and in such principal amount as shall be specified by the Issuer in a written notice delivered to the holder of the Series 2015 Bond not less than thirty (30) days prior thereto specifying the principal amount of the Series 2015 Bond to be redeemed and the date of such redemption. So long as the Issuer provides such notice of redemption, the provisions of Section 3.03 of this Resolution shall not apply with respect to the Series 2015 Bond.

SECTION 9.02. MANDATORY SINKING FUND REDEMPTION OF SERIES 2015 BOND. The Series 2015 Bond is subject to mandatory redemption prior to maturity, in part by lot, at a redemption price equal to par plus interest accrued to the redemption date, payable on May 1 and November 1 of each year through and including May 1, 2030, commencing May 1, 2016, in the Sinking Fund Installments to be determined by the City Manager and approved by the Purchaser and set forth in the Series 2015 Bond.

The Issuer shall not be required to provide the holder of the Series 2015 Bond any notice of the payment of any scheduled Sinking Fund Installments.

SECTION 9.03. APPLICATION OF SERIES 2015 BOND PROCEEDS.

Subject in all respects to the satisfaction of the conditions set forth in Section 2.02 hereof, the proceeds derived from the sale of the Series 2015 Bond shall be applied by the Issuer simultaneously with the delivery thereof as follows:

(A) A sufficient amount of Series 2015 Bond proceeds shall be deposited to the Series 2015 Project Account of the Construction Fund and shall be applied in accordance with the provisions hereof to pay Costs of the acquisition, construction, and equipping of the Series 2015 Project. Such deposited amounts may be used to reimburse the Issuer for any moneys previously expended by the issuer for Costs of the Series 2015 Project so

long as the Issuer complies with the applicable provisions of the Code regarding reimbursement.

(B) The remainder of the proceeds of the Series 2015 Bond shall be applied to the payment of costs and expenses relating to the issuance of the Series 2015 Bond.

SECTION 9.04. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Subject in all respects to the satisfaction of the conditions set forth in Section 2.02, hereof, the Issuer, acting through the City Manager's office, is hereby designated Registrar and Paying Agent for the Series 2015 Bond. The City Manager is hereby authorized to execute and deliver and the Clerk is authorized to attest any agreements prepared by Bond Counsel and reviewed by the City Attorney that are necessary to engage the Paying Agent and Registrar.

SECTION 9.05. PROVISION OF FINANCIAL INFORMATION. While the Series 2015 Bond is Outstanding, a copy of the annual audit described in Section 5.06 hereof for each Fiscal Year shall be furnished to the Purchaser within 30 days after approval thereof by the Commission and a copy of the annual budget described in Section 5.07 hereof for each Fiscal Year shall be furnished to the Purchaser within 30 days of its adoption. The Issuer shall also provide the Purchaser with such other information as it reasonably requests from time to time.

**ARTICLE X
MISCELLANEOUS**

SECTION 10.01. CAPITAL APPRECIATION BONDS. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Issuer or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 10.02. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 10.03. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall 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 separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 10.04. VALIDATION AUTHORIZED. To the extent deemed necessary by Bond Counsel or desirable by the City Attorney, Bond Counsel is authorized to institute appropriate proceedings for validation of a Series of Bonds herein authorized pursuant to Chapter 75, Florida Statutes.

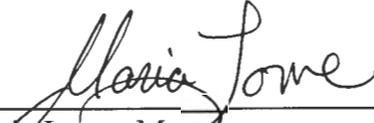
SECTION 10.05. REPEAL OF INCONSISTENT RESOLUTIONS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 10.06. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

DULY ADOPTED this 12th day of May, 2015.

CITY OF ST. PETE BEACH, FLORIDA

(SEAL)

By: 
Maria Lowe, Mayor

ATTEST:


Rebecca C. Haynes, City Clerk

EXHIBIT A

PROPOSAL OF PURCHASER



Capital One Public Funding, LLC
jaci.bretz@capitalone.com

Jacqueline Bretz
AVP
866-617-2337 office
631.457.9582 cell
866.617-2330 fax

April 15, 2015

City of St. Pete Beach
City Clerk's Office
155 Corey Avenue, 1st Floor
St. Pete Beach, FL 33706

Subject: Stormwater Utility System Revenue Note

Dear City Clerk:

Capital One Public Funding, LLC ("COPF") is pleased to present this proposal letter ("Proposal") for the City of St. Pete Beach, FL ("City").

Type of Financing: Tax-exempt, Stormwater Utility System Revenue Note ("Note").

Par Amount: \$3,000,000

Issuer: **City of St. Pete Beach, FL**

Purchaser: Capital One Public Funding, LLC ("COPF").

Use of Proceeds: Proceeds will be used for estimated project fund costs of for its portion of the Pass A Grille Road project, to provide for any City reimbursement of prior fees or costs (subject to Bond counsel review), and to pay costs of issuance.

Security: The Stormwater Utility Project is expected to be issued as a senior lien bank note financing. Any additional debt would have to meet an Additional Bonds Test of minimum 1.15X.

Term and Payments: Option 1: Annual principal and semi-annual interest payments. Final maturity is May 1, 2025.
Option 2: Annual principal and semi-annual interest payments. Final maturity is May 1, 2030.
Option 3: Annual principal and semi-annual interest payments. Final maturity is May 1, 2035.

Interest Rate: Option 1: The fixed rate is **2.47%**.
Option 2: The fixed rate is **2.95%**.
Option 3: The fixed rate is **3.39%**.



These rates are valid through May 22, 2015 and are subject to change in the event of market movements if the Note does not fund by May 22, 2015.

Fees: No fees shall be charged by COPF to the City for execution of the Note.

Documentation: Documentation shall be provided by Note counsel at the City's expense, subject to review by the COPF and its counsel. The City shall provide an opinion of legal counsel attesting to the legal, valid, and binding nature of the Note and stating that the interest component of the Note payments is exempt from taxation.

COPF Counsel: Chapman & Cutler, LLP shall act as counsel to COPF and their counsel fees will be paid by COPF.

No Note Rating, DTC, Offering Document or CUSIP: The Note shall be delivered in physical, non-book-entry, certificated form and registered in the name of COPF. The Note shall not be (i) assigned a separate rating by any Rating Agency; (ii) registered with The Depository Trust Company or any other securities depository; (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document; or (iv) assigned a CUSIP number.

Call Provision: The City shall have the right to pre-pay the Note, in whole and in part as noted below, on any interest payment date, provided that the City gives COPF at least thirty (30) days prior written notice of its intent to do so. The prepayment provisions shall be as follows:

Option 1
Years 1-5 Non-callable
Thereafter Par

Option 2
Years 1-6 Non-callable
Thereafter Par

Option 1
Years 1-7 Non-callable
Thereafter Par

COPF will allow the City to make one partial prepayment of up to \$500,000 per year on interest payment dates only with no penalty.

Role of Capital One Public Finding, LLC: This Proposal is submitted in response to your Request for Proposal dated March 25, 2015. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to Note, are provided to you in reliance upon the exemption provided for

responses to requests for proposals or qualifications under the municipal advisor rules of the Securities and Exchange Commission (Rule 15Ba1-1 et seq.).

The City acknowledges and agrees that: (i) the information contained in this proposal letter is for discussion purposes only and sets forth certain proposed terms and conditions of an arm's-length commercial transaction between the City and COPF and does not constitute advice, an opinion or a recommendation by COPF; (ii) the City will make its own determination regarding whether to enter into the proposed transaction and the terms thereof, and will consult with and rely on the advice of its own financial, accounting, tax, legal and other advisors; (iii) COPF is acting solely for its own account in connection with the proposed transaction, and is not acting as a municipal advisor, financial advisor, agent or fiduciary to the City or any other person or entity (including to any financial advisor or placement agent engaged by the City) and the City, its financial advisor and placement agent are free to retain the services of such advisors (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) as it deems necessary or appropriate; (iv) COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (v) neither COPF nor any of its affiliates is acting as a broker, dealer, underwriter or placement agent with respect to the transactions contemplated hereby; (vi) the only obligations COPF has to the City with respect to the transaction contemplated hereby expressly are set forth in this proposal letter; and (vii) COPF is not recommending that the City take an action with respect to the transaction contemplated by this proposal letter. Before taking any action with respect to the contemplated transaction, the City should discuss the information contained herein with the City's own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the City would like a municipal advisor in this transaction that has legal fiduciary duties to you, the City is free to engage a municipal advisor to serve in that capacity.

Proposal Expiration:

This Proposal shall expire if not accepted by the April 24, 2015 by the City. Once accepted, this Proposal shall expire if the transaction has not closed by May 22, 2015.

Thank you for the opportunity to offer this Proposal. Should you have any questions, please do not hesitate to contact me at 866-617-2337 or jaci.bretz@capitalone.com.

Sincerely,

Jacqueline Bretz
Capital One Public Funding, LLC



City of St Pete Beach, FL

April 15, 2015

ACCEPTED BY: City of St Pete Beach, FL

By

Name

Title

Attachment Exhibit A – Florida References



City of St Pete Beach, FL

April 15, 2015

Exhibit A – References

School Board of Duval County
1701 Prudential Drive
Jacksonville, FL 32207

State of Florida
Dept. of Corrections
2601 Blair Stone Rd
Tallahassee, FL 32399

Orange County Public Schools
445 W Amelia St
Orlando, FL 32801

Apalachicola City
1 Ave E
Apalachicola City, FL 32320

City of Hollywood
2600 Hollywood Blvd
Hollywood, FL 33020

City of Lakeland
278 S Massachusettes
Lakeland, FL 33801

City of Ocala
110 SE Watula Ave
Ocala, FL 34471

City of St Pete Beach, FL



April 15, 2015

EXHIBIT B

**FORM OF TRUTH-IN-BONDING STATEMENT
AND DISCLOSURE LETTER**

**CAPITAL ONE PUBLIC FUNDING, LLC
DISCLOSURE LETTER AND
TRUTH-IN-BONDING STATEMENT**

May 22, 2015

City Commission of the
City of St. Pete Beach, Florida
St. Pete Beach, Florida

Re: \$3,000,000 City of St. Pete Beach, Florida Stormwater Improvement
Assessment Bond, Series 2015

Madam Mayor and Commission Members:

In connection with the purchase of the City of St. Pete Beach, Florida Stormwater Improvement Assessment Bond, Series 2015 (the "Series 2015 Bond") authorized to be issued by Resolution No. 2015-__, adopted by the City Commission of the City of St. Pete Beach, Florida (the "City") on May 12, 2015 (the "Resolution"), the undersigned purchaser of the Series 2015 Bond (the "Original Purchaser"), hereby acknowledges and represents that (1) the Original Purchaser is familiar with the City as it relates to the above transaction; (2) the Original Purchaser has been furnished certain business and financial information about the City; (3) the City has made available to the Original Purchaser the opportunity to obtain additional information and to evaluate the merits and risks of an investment in the Series 2015 Bond; and (4) the Original Purchaser has had the opportunity to ask questions of and receive answers from representatives of the City concerning the terms and conditions of the offering and the information supplied to the Original Purchaser.

The Original Purchaser acknowledges and represents that it has been advised that the Series 2015 Bond has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption contained in Section 3(a)(2) thereof, and that the City is not presently registered under Section 12 of the Securities and Exchange Act of 1934, as amended. Further, no trading market now exists for the Series 2015 Bond. Accordingly, the Original Purchaser understands that it may need to bear the risks of this purchase of the Series 2015 Bond for an indefinite time, since any sale prior to the maturity of the Series 2015 Bond may not be possible or may be at a price below that which the Original Purchaser is paying for the Series 2015 Bond.

The Original Purchaser has conducted its own investigation to the extent it deemed necessary. The Original Purchaser has been offered an opportunity to have made available to it any and all such information it might request from the City. On this basis, it is agreed by acknowledgment of this letter that the Original Purchaser hereto is not relying on any party or person other than the City to undertake the furnishing or verification of information relating to this transaction.

The Original Purchaser acknowledges that the Series 2015 Bond is being purchased as part of a private placement of the Series 2015 Bond to evidence a loan from the Original Purchaser to the City negotiated directly between the City and representatives of the undersigned. Accordingly, no Official Statement or other disclosure document has been prepared in connection with the issuance of the Series 2015 Bond and we hereby acknowledge that we have made our own independent examination of all facts and circumstances surrounding the Series 2015 Bond and that no reliance has been placed on anyone other than the City.

The Original Purchaser is purchasing the Series 2015 Bond primarily for its own loan account and not with a present intent to distribute or resell the Series 2015 Bond; provided, however, that the Original Purchaser retains the right to transfer the Series 2015 Bond or any interest therein or portion therein in accordance with the terms of the Resolution. The Original Purchaser hereby agrees that prior to any distribution or resale of the Series 2015 Bond, it will comply in all respects with all applicable laws regarding such distribution or resale.

The Original Purchaser further acknowledges and represents that (1) it is the only initial purchaser of the Series 2015 Bond, (2) it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the Series 2015 Bond, and (3) it is not currently purchasing the Series 2015 Bond for more than one account or with a present view to distributing the Series 2015 Bond. The Original Purchaser acknowledges that the representations contained in this paragraph are being made in order to meet one of the exceptions to the continuing disclosure requirements set forth in Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Pursuant to the provisions of Section 218.385, Florida Statutes, the Original Purchaser is providing the following information with respect to the purchase of the Series 2015 Bond. The Original Purchaser represents to you as follows:

- (a) The nature and estimated amounts of expenses to be incurred by the Original Purchaser in connection with the issuance and sale of the Series 2015 Bond are: none.
- (b) There are no "finders," as defined in Section 218.386, Florida Statutes, as amended, in connection with the issuance of the Series 2015 Bond.

- (c) No underwriting fee will be charged by the Original Purchaser in connection with the issuance of the Series 2015 Bond.
- (d) No management fee will be charged by the Original Purchaser in connection with the issuance of the Series 2015 Bond.
- (e) No other fee, bonus or other compensation will be paid by the Original Purchaser in connection with the issuance of the Series 2015 Bond to any person not regularly employed or retained by the Original Purchaser (including a "finder" as defined in Section 218.386, Florida Statutes).
- (f) The name and address of the Original Purchaser is:

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747-4808
- (g) The City is proposing to issue the Series 2015 Bond for the principal purpose of financing costs of the acquisition, construction and equipping of various capital improvements to the City's stormwater utility system. The Series 2015 Bond is expected to be repaid over approximately 15 years. The interest rate on the Series 2015 Bond is 2.95%. Total interest paid over the life of the Series 2015 Bond will be approximately \$748,725. The expected source of repayment for the Series 2015 Bond is special assessment proceeds levied in connection with the City's Stormwater Utility System and other sources described in the Resolution. The Series 2015 Bond will result in approximately \$256,000 of such repayment sources of the City being expended to pay debt service on the Series 2015 Bond each year and not being available to pay for other services or purposes of the City.

Very truly yours,

CAPITAL ONE PUBLIC FUNDING, LLC

By: _____
Title: Assistant Vice President