

GOLDEN BEACH, FLORIDA
RESOLUTION NO. 1088.98

A SUPPLEMENTAL RESOLUTION TO RESOLUTION 968.96 OF THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$600,000 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 1998 OF THE TOWN FOR THE PURPOSE OF PROVIDING FUNDS FOR THE FINANCING OF CERTAIN STORMWATER DRAINAGE SYSTEM IMPROVEMENTS AND THE PAYMENT OF COSTS OF ISSUANCE ASSOCIATED WITH THE ISSUANCE OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS FROM STORMWATER UTILITY FEE REVENUES, LOCAL OPTION GAS TAX REVENUES AND CERTAIN UTILITY TAX REVENUES AVAILABLE TO THE TOWN; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; APPOINTING BOND COUNSEL; APPROVING A PRIVATE PLACEMENT SALE OF THE BONDS TO NORTHERN TRUST BANK; DELEGATING TO THE MAYOR, OR HER DESIGNEE, OR THE TOWN MANAGER, OR HIS DESIGNEE, THE APPROVAL OF THE TERMS, CONDITIONS AND CRITERIA OF SUCH SALE, THE APPROVAL OF A PRELIMINARY PRIVATE PLACEMENT MEMORANDUM, IF DEEMED NECESSARY, AND FINAL PRIVATE PLACEMENT MEMORANDUM, IF DEEMED NECESSARY, WITH RESPECT TO THE BONDS, THE APPROVAL OF A PURCHASE CONTRACT, IF DEEMED NECESSARY, THE SELECTION OF A BOND REGISTRAR, IF DEEMED NECESSARY, AND PAYING AGENT, IF DEEMED NECESSARY; PROVIDING CERTAIN OTHER DETAILS; AND PROVIDING AN EFFECTIVE DATE

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF GOLDEN BEACH, FLORIDA:

ARTICLE I

AUTHORITY FOR THIS RESOLUTION

This resolution is adopted pursuant to Chapter 166, Florida Statutes, Article VIII of the Constitution of the State of Florida; the Town Charter of the Town of Golden Beach, Florida; and other applicable provisions of law (collectively, the Act).

ARTICLE II

DEFINITIONS

SECTION 2.01. Definitions. As used herein, unless the context otherwise requires:

Act shall have the meaning ascribed Article I hereof.

Additional Bonds means additional obligations issued under this resolution in compliance with the terms, conditions and limitations contained herein, which will have a lien on the Pledged Revenues ranking equally with the lien of the 1996 Bonds and the 1998 Bonds thereon.

Capital Improvement Fund means the Capital Improvement Fund established pursuant to Section 7.01 of this Resolution.

Amortization Installment means the funds to be deposited in the Debt Service Fund in a given Bond Year for the payment at maturity or redemption of a portion of Term Bonds of a designated Series, as established by resolution or ordinance of the Issuer at or before the delivery of that Series of Term Bonds.

Annual Budget means the budget or budgets, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with the laws of the State of Florida.

Authorized Depository means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository, which is authorized under Florida law to be a depository of public funds of the Issuer and which has qualified with all applicable state and federal requirements concerning the receipt of Issuer funds.

Bond Counsel means nationally recognized counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

Bond Obligation means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Compounded Amount on all Capital Appreciation Bonds then Outstanding.

Bondholders means the registered owners (or their authorized representatives) of Bonds.

Bonds means the 1998 Bonds, the 1996 Bonds and any Additional Bonds authorized to be issued pursuant to Article X below.

1996 Bonds means The Town of Golden Beach Capital Improvement Revenue Bonds, Series 1996, in the amount of \$1,000,000.

1996 Resolution means Resolution 968.96 wherein the Issuer approved the 1997 Bonds.

1998 Bonds means The Town of Golden Beach Capital Improvement Revenue Bonds, Series 1998, or Bonds of such other designation as authorized by Section 5.01 hereof, authorized to be issued pursuant to this resolution in the aggregate principal amount of not to exceed \$600,000.

Bond Service Requirement means for a given Bond Year the remainder, after subtracting any accrued interest for that year that has been deposited into the Debt Service Fund for that purpose, from the sum of:

(1) The amount required to pay the interest coming due on Bonds during that Bond Year, including the accreted interest component of the Compounded Amount of Capital Appreciation Bonds coming due during that Bond Year,

(2) The amount required to pay the principal of Serial Bonds and the principal of Term Bonds, including the principal component of the Compounded Amounts of Capital Appreciation Bonds maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds, and

(3) The Amortization Installment for all series of Term Bonds for that Bond Year.

The interest rate for Variable Rate Bonds shall be calculated as follows:

A. For purposes of determining (i) the amount required to be budgeted pursuant to Section 6.03 below, and (ii) the Bond Service Requirement for purposes of Section 10.02(1) hereof; (x) to the extent that the principal amount of all outstanding variable rate debt payable from one or several of the sources of Pledged Revenues is less than 25% of all indebtedness secured in whole or in part by one or several of the sources of Pledged Revenues, the Maximum Bond Service Requirement shall be calculated assuming an interest rate equal to the greater of 12% per annum or the Bond Buyer 40 Index published immediately prior to making such determination, (y) to the extent that the principal amount of all outstanding variable rate debt payable from one or several of the sources of Pledged Revenues is greater than 25% of the principal amount of all indebtedness secured in whole or in part by one or several of the Pledged Revenues, the Maximum Bond Service Requirement shall be calculated assuming the maximum permissible rate, and (z) for purposes of such calculations, Variable Rate Bonds shall be assumed to be amortized in up to 20 years with level debt service; and

Bond Year means the annual period beginning on the first day of October of each year and ending on the last day of September of the same year; provided that when such term is used to describe the period during which deposits are to be made pursuant to Article VII hereof to amortize the principal and interest on the Bonds maturing or becoming subject to redemption, the principal and interest maturing or becoming subject to redemption on the first day of the month immediately succeeding any Bond Year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

Business Day means a day on which banking business is transacted in the city or cities in which the Paying Agent has its principal corporate trust offices and on which the New York Stock Exchange is open.

Capital Appreciation Bonds means Bonds that bear interest, compounded semiannually, that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Compounded Amounts.

Town Manager means the Town Manager of the Issuer or any Assistant Town Manager or other designee of the Town Manager.

Clerk means the Town Clerk or any Deputy Town Clerk of the Issuer.

Closing Date means, with respect to a particular Series of Bonds issued hereunder, the date of issuance and delivery of such Bonds to the original purchaser or purchasers thereof.

Code means the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

Compounded Amounts means the principal amount of the Capital Appreciation Bonds plus the amount of interest that has accreted on such Bonds, compounded semiannually, to the date of calculation, determined by reference to accretion tables contained in each such Bond or an offering circular with respect thereto. The Compounded Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Compounded Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Compounded Amount for such preceding date and the Compounded Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a year of twelve 30-day months.

Cost of the Project means those costs described in Section 5.01 hereof.

Current Interest Bonds means Bonds that bear interest which is payable annually, semiannually or monthly, or such more frequent interval as the Issuer may determine.

Dated Date means the date of authentication or issuance of a Bond.

Debt Service Fund means the Debt Service Fund established pursuant to Section 7.01 of this resolution.

Fiscal Year means the period commencing on October 1 of each year and ending on the succeeding September 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Issuer pursuant to general law.

Governing Body means the Town Council of the Town of Golden Beach, Florida.

Investment Obligations means, to the extent provided by law:

- (1) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee (Direct Obligations);
- (2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation (FHLMCs); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association (FNMA); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association (GNMA); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financing of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities.
- (3) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A or better by Moody's and A or better by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, A or better by Moody's and A or better by S&P;
- (4) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, P-1" by Moody's and A-1" or better by

S&P;

- (5) federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term Bank Deposit rating of "P-1" by Moody's and a Short-Term CD rating of A-1 or better by S&P;
- (6) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;
- (7) investments in money-market funds rated AAAM or AAAM-G by S&P;
- (8) repurchase agreements collateralized by Direct Obligations, GNMMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an unsecured, unsecured and unguaranteed obligation rated P-1 or A3 or better by Moody's, and A-1 or A- or better by S&P, provided:
 - (a) a master repurchase agreement or specific written repurchase agreement governs the transaction; and
 - (b) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent (Agent) for the Trustee, and such third party is (i) a Federal Reserve Bank, or (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million, and the Trustee shall have received written confirmation from such third party that it holds such securities free and clear of any lien, as agent for the Trustee; and
 - (c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee; and
 - (d) the repurchase agreement has a term of 180 days or less, and the Trustee or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities

if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

- (e) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

Issuer means The Town of Golden Beach, Florida.

Local Option Gas Tax Revenues means the Town's portion of the local option gas tax collected by Metropolitan Dade County, Florida pursuant to Section 336.025, Florida Statutes, or any successor statutory provisions.

Mayor's or Manager's Certificate means a certificate signed by the Mayor or the Town Manager which establishes the terms and conditions of each series of the Bonds.

Mayor means the Mayor or, in his or her absence or inability to perform, the Vice-Mayor of the Governing Body of the Issuer.

Maximum Bond Service Requirement means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount or Compounded Amounts, as the case may be, of such Bonds that are to be redeemed or paid from Amortization Installments to be made in prior Bond Years. For purposes of this resolution, the Maximum Bond Service Requirement shall be calculated at least annually as of the first day of each Bond Year and as of the date of issuance of any Series of Bonds hereunder.

Moody's means Moody's Investors Service, and its successors.

Outstanding or Bonds outstanding means all Bonds which have been issued pursuant to this resolution except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds for the payment or redemption of which pursuant to Section 13.02 of this resolution cash funds or Direct Obligations or any combination thereof shall have been theretofore irrevocably set aside in a special account with the Paying Agent of an Authorized Depository acting as an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such Direct Obligations, will be sufficient to pay the principal of and interest on such

Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all Bonds at such redemption dates shall have been given to the Paying Agent; and

- (c) Bonds which are deemed paid pursuant to Section 5.08 hereof or in lieu of which other Bonds have been issued under Section 5.04 hereof.

Original Purchaser means with respect to the 1998 Bonds, Northern Trust Bank, and thereafter, any other accredited investor as described herein.

Paying Agent means the Issuer or any Authorized Depository designated by the Issuer to serve as a Paying Agent or place of payment for the Bonds issued hereunder that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the registered owners thereof, from funds made available therefor by the Issuer, and any successors designated pursuant to a resolution or ordinance.

Pledged Revenues means collectively the Stormwater Utility Fee Revenues, the Local Option Gas Tax Revenues and the Utility Tax Revenues and income received from the investment of moneys deposited in the funds and accounts established hereunder.

Project means the construction of, and certain improvements to, the stormwater drainage system of the Town and any other acquisition or capital improvement by the Governing Body and approved by subsequent resolution.

Qualified Independent Consultant means one or more such qualified and recognized independent consultants, having favorable repute, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or sections hereof, as shall from time to time be retained by the Issuer for the purposes hereof.

Rebate Year means, with respect to a particular Series of Bonds issued hereunder, the period selected by the Issuer with respect to such Series of Bonds pursuant to the Code.

Rebate Amount shall have the meaning ascribed to that term in Section 13.03 of this resolution.

Registrar means the Issuer or any agent designated from time to time by the Issuer, by ordinance or resolution, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the

transfer of Bonds.

S&P means Standard & Poor's Ratings Group and its successors.
Serial Bonds means all Bonds of a Series other than Term Bonds.

Series means the 1998 Bonds and any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental ordinance or resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a Series of Bonds issued pursuant to this resolution.

Stormwater Utility Fees Revenues means the funds derived from the Stormwater Utility Fees of the Town and deposited in the Stormwater Utility Fund, all as established by Ordinance 393.93 enacted by the Governing Body on June 29, 1993.

Taxable Bonds means Bonds the interest on which is not intended at the time of the issuance thereof to be excluded from the gross income of the holders thereof for federal tax purposes.

Term Bonds means Bonds of a Series for which Amortization Installments are established, and such other Bonds of a Series so designated by supplemental ordinance or resolution of the Issuer enacted or adopted on or before the date of delivery of such Bonds.

Utility Tax Revenues means the funds derived from the imposition of the Utility Tax as required by Ordinance No. 394.93 enacted by the Governing Body on September 21, 1993, as amended by Ordinance No. 415.96 enacted by the Governing Body on April 30, 1998.

Variable Rate Bonds means Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage at the date of issue for the entire term thereof.

SECTION 2.02. Singular/Plural. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies.

ARTICLE III

FINDINGS

It is hereby ascertained, determined and declared that:

A. The issuance of the 1998 Bonds for the purpose of financing the

Project will serve a public purpose.

B. The Issuer is authorized and empowered by the Act to issue the 1998 Bonds and use the proceeds thereof to pay the Costs of the Project.

C. The principal of, premium, if any, and interest on the Bonds and all required sinking fund and other payments with respect thereto shall be payable from the proceeds of Bonds and from moneys deposited in the funds and accounts pledged by this resolution, which the Issuer has full authority to irrevocably pledge. The Issuer shall never be required to levy ad valorem taxes on any real or personal property to pay the principal of, interest on or any premium with respect to the Bonds or to make any of the required sinking fund or other payments required herein, and the Bonds shall not constitute a lien on any real or personal property owned by or situated within the limits of the Issuer.

D. The Issuer has been advised by its Town Manager as to the market appropriateness regarding the sale of the 1998 Bonds to the Original Purchaser, through a private placement sale in light of current market levels and conditions and as to acceptance of a Bond Purchase Contract, if deemed necessary, to be entered into by the Issuer and the Original Purchaser, a form of which will be approved by the Town Manager (the Bond Purchase Contract) setting forth the details of the sale pursuant to the criteria set forth herein.

E. Due to the nature and complexity of the transactions relating to the Bonds, it is in the best interest of the Issuer that the Bonds be sold by a private placement sale to the Original Purchaser, thereby obtaining the best possible price and interest rate for the Bonds.

ARTICLE IV

THIS INSTRUMENT TO CONSTITUTE CONTRACT

In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this resolution shall be deemed to be and shall constitute a contract between the Issuer and the Bondholders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders and all Bonds shall be of equal rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

ARTICLE V

AUTHORIZATION OF THE FUNDING OF A CAPITAL IMPROVEMENT FUND; DESCRIPTION, FORM AND TERMS OF BONDS

SECTION 5.01. Supplemental Resolution and Authority for the Funding of a Capital Improvement Fund and the Issuance of Bonds. Pursuant to the 1996 Resolution the Issuer authorized and issued the 1996 Bonds to fund the Project.

After review of the Project and the costs thereof, the Issuer has determined that it shall issue the 1998 Bonds as supplemental financing of the Project. This Resolution shall govern the terms and conditions of the 1998 Bonds, and in the event of a conflict between the terms and conditions between the 1996 Resolution and this Resolution, the terms and conditions of this Resolution shall prevail in all respects.

The issuance of the 1998 Bonds for the purpose of financing all or any portion of the Costs of the Project is hereby authorized by the Issuer. Subject and pursuant to the provisions hereof, 1998 Bonds (or Bonds to be designated by the year in which they are to be issued) to be known as "The Town of Golden Beach, Florida Capital Improvement Revenue Bonds, Series 1998" or to be known by such other designation specified by subsequent ordinance or resolution of the Issuer prior to the sale of the 1998 Bonds, are hereby authorized to be issued, in one or more Series, in an aggregate principal amount of not to exceed Six Hundred Thousand Dollars (\$600,000), for the purpose of funding the Capital Improvement Fund hereinafter created and the payment of the costs of issuance of the 1998 Bonds. Additional Bonds in excess of the principal amount of the first Series of 1998 Bonds issued pursuant to this resolution may be issued from time to time pursuant to the terms of Article X hereof.

The Cost of the Project shall include, without limiting the items of cost permitted under the Act, the following items to the extent they relate to any such Project: (i) all payments for real property, personal property, or capital improvements to the Project, including expenditures for architects, surveyors, appraisers and other professionals and soft costs as permitted by Code; (ii) all costs of issuance of Bonds, including, without limitation, bond counsel, issuer's counsel, financial advisors, printing costs, rating agency fees, initial acceptance fees of paying agents, registrars, trustees, depositories and all fees and costs of financial institutions providing special credit facilities with respect to one or more Series of Bonds; (iii) all fees of special advisors and consultants associated with one or more aspects of such Project; (iv) all amounts required to be paid by this resolution, or any supplemental ordinance or resolution authorizing the issuance of Bonds, into Debt Service Fund upon the issuance of any Series of Bonds; (v) the reimbursement to the Issuer of all such eligible costs of such Project that have been advanced by the Issuer from its available funds or on behalf of the Issuer before the delivery of a Series of Bonds issued to finance such costs; (vi) the principal, interest, premium, if any, and costs related thereto, payable with respect to any note or other obligation issued by the Issuer to pay any part of the Cost of the Project enumerated in this Section; (vii) all amounts required to be rebated to the United States of America in order to preserve the exclusion from gross income for federal income tax purposes of interest on Bonds other than Taxable Bonds; and (viii) such other costs and expenses which shall be necessary or incidental to the financing herein authorized.

SECTION 5.02. Description of Obligations. Except for the 1998 Bonds, which are provided for herein, or in the Mayor's or Manager's Certificate, the Issuer shall by supplemental ordinance or resolution specify for each Series of Bonds the following: the authorized principal amount of Bonds needed to pay the Cost of the Project for which such Series of Bonds is issued; the date and terms of maturity or maturities of the Bonds, provided that each maturity date shall be October 1 (or, in

the event of semiannual maturities of principal, October 1 and April 1) and that interest payment dates shall be June 1 (or, in the event of semiannual interest payments, October 1 and April 1), except as may be otherwise provided by subsequent ordinance or resolution enacted or adopted prior to the issuance of such Bonds; the interest rate or rates of the Bonds, which may include variable, dual, convertible or other rates, compound interest, Capital Appreciation Bonds, original issue discount and zero interest rate bonds, provided that the average net interest cost rate on such Bonds shall never exceed the maximum interest rate permitted by law in effect at the time such Bonds are issued; and provided further that in the event original issue discount, zero interest rate, Capital Appreciation Bonds, or similar Bonds are issued, only the original principal amount of such Bonds shall be deemed to be issued on the date of issuance for the purposes of the maximum amount of Bonds authorized hereunder; the denominations, numbering and lettering of such Bonds, provided that the Bonds shall be in the denominations of \$100,000 and \$5,000 integral multiple thereafter, or in the case of Capital Appreciation Bonds, \$100,000 amount due at maturity or any integral multiple of \$5,000 thereafter, or any other denomination designated by ordinance or resolution of the Issuer enacted or adopted prior to the issuance of such Bonds; the Paying Agent and place or places of payment of such Bonds; the redemption prices for such Bonds and any terms of redemption or any formula for accretion upon redemption, not inconsistent with the provisions of this resolution, which may include mandatory redemptions or purchases at the election of the holder or registered owner thereof; the amount and date of each Amortization Installment, if any, for such Term Bonds, provided that each Amortization Installment shall fall due on October 1 or April 1, or both, of a Bond Year; the use of proceeds of such Bonds not inconsistent with this resolution, and any other terms or provisions applicable to the Bonds, not inconsistent with the provisions of this resolution or the Act. All of the foregoing may be added by supplemental resolution or resolutions (or supplemental ordinance or ordinances) adopted (or enacted) at any time and from time to time prior to the issuance of any Series of such Bonds. Unless otherwise so provided, each Bond shall bear interest from the later of the Dated Date or original issue date shown thereon or the most recent interest payment date to which interest has been paid, until payment of the principal sum or until provision for the payment thereof on or after the maturity or redemption date has been duly provided for. The 1998 Bonds may be issued in one or more series and the series designation of such Bonds may be changed to reflect the date and sequence of issuance, and the particular terms thereof.

Except as otherwise provided by subsequent ordinance or resolution, all Bonds issued hereunder shall be in registered form, shall be payable in lawful money of the United States of America and shall bear interest from their date, or from such other date as the Issuer may determine, which in the case of Current Interest Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof unless otherwise provided by subsequent ordinance or resolution. Principal, and any interest on Capital Appreciation Bonds, shall be payable at maturity or earlier redemption thereof upon presentation and surrender of such Bonds at the principal office of the Registrar by check or draft unless otherwise provided by subsequent ordinance or resolution. To the extent the Issuer under then applicable law may issue any Series of Bonds in coupon form, the interest on which, in the

opinion of Bond Counsel, is excluded from gross income for federal income tax purposes, or, to the extent that such Bonds are to be issued as Taxable Bonds, the Issuer may amend this resolution, including the forms of the Bonds, to authorize and provide for the issuance and payment of coupon Bonds. In addition, notwithstanding the foregoing, if and to the extent permitted by applicable law, the Issuer may establish a system of registration and may issue thereunder uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations, certificated registered public obligations (represented by instruments), combinations thereof, or such other obligations as may then be permitted by law. The Issuer shall appoint such registrars, transfer agents, depositories or other agents as may be necessary to cause the registration, registration of transfer and reissuance of the Bonds within a commercially reasonable time according to the then current industry standards and to cause the timely payment of interest, principal and premiums, if any, payable with respect to the Bonds. Registration and registration of transfer of the 1998 Bonds shall be subject to the terms set forth in the forms of the 1998 Bonds in Section 5.09 hereof. If the Issuer adopts a system for the issuance of uncertificated registered public obligations, it may permit thereunder the conversion, at the option of a holder of any Bond then outstanding, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same. A list of the names and addresses of the registered owners of the Bonds shall be maintained at all times by the Registrar.

The registration of the Bonds may be transferred upon the registration books therefor upon delivery to the Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the registered owner of such Bonds or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of the Bonds, the Registrar shall at the earliest practical time in accordance with the provisions of this resolution enter the transfer of ownership in the registration books for the Bonds and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations for the same aggregate principal amount and payable from the same sources of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the fifteen (15) days next preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Registrar or the Issuer may charge the registered owners of such Bonds for the registration of every such transfer of such Bonds sufficient to reimburse it for any tax, fee or any other governmental charge required to be paid, except for any such governmental charge imposed by the Issuer, with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bonds shall be delivered.

If any date for payment of the principal of, premium, if any, or interest on any Bond is not a Business Day, then the date for such payment shall be the next

succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

With respect to one or more Series of Bonds issued hereunder, the forms of the Bonds may provide that the holder of any such Bond may demand that the Issuer purchase such Bond by payment of principal and interest within a stated period after delivering notice to a designated agent for the Issuer and providing a copy of the notice with the tender of the Bond to such agent. The designated agent for the Issuer, in accordance with the terms of a remarketing or replacement agreement, may provide for the resale or redelivery of the Bonds on behalf of the Issuer at a price provided for in the agreement. If the Bonds shall not be resold or redelivered within a stated period, the agent for the Issuer may be authorized to draw upon a previously executed credit agreement between the Issuer and one or more banks or other financial or lending institutions permitting the Issuer to borrow amounts to be used for the purchase of the Bonds to which such credit agreement shall pertain. The particular form or forms of such demand provisions, the period or periods for payment of principal and interest after delivery of notice, the appointment of the agent for the Issuer, the terms and provisions of the remarketing or replacement agreement, and the terms and provisions of the credit agreement shall be as designated by a supplemental ordinance or resolution of the Issuer adopted prior to the sale and delivery of such Series of Bonds.

SECTION 5.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be imprinted, reproduced or lithographed on the Bonds and attested to and countersigned by the Clerk. The signatures of the Mayor and the Clerk on the Bonds may be by facsimile, but one such officer shall sign his manual signature on the Bonds unless the Issuer appoints an authenticating agent, registrar, transfer agent or trustee who shall be authorized and directed to cause one of its duly authorized officers to manually execute the Bonds. If any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his signature shall nevertheless be valid and sufficient for all purposes. In addition, any Bond may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond or the date of delivery thereof such persons may not have been such officers.

SECTION 5.04. Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond is mutilated, destroyed, stolen or lost, the Issuer or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and canceled by the Clerk of the Issuer or its duly authorized agent. The Bondholder must furnish the Issuer or its agent proof of ownership of any destroyed, stolen or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the Issuer or its agent may prescribe; and pay the Issuer's or its agent's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Issuer whether or not the destroyed, stolen, or lost 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, and source of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, stolen or lost.

SECTION 5.05. Provisions for Redemption. Each Series of Bonds shall be subject to redemption prior to maturity at such times and in such manner as shall be established by subsequent resolutions or ordinances of the Issuer adopted or enacted on or before the time of delivery thereof. With regard to the 1998 Bonds, the provisions for redemption and notice of redemption shall be set forth and established in the Mayor or Manager's Certificate or on the executed 1998 Bonds.

Notice of redemption shall be given either (1) by certified mail to the Bondholder with an acknowledgment as to such 30 days prior to redemption or (2) by publication in THE BOND BUYER or CREDIT MARKETS or a financial journal or newspaper of general circulation in the city of New York, New York, not more than sixty (60) and not less than thirty (30) days prior to the redemption date, and by the deposit in the U.S. Mail of a copy of the redemption notice, postage prepaid, at least thirty (30) and not more than sixty (60) days before the redemption date to the registered owner of each Bond or portion of Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with provisions hereof; provided, however, that if all Bonds to be redeemed shall be in registered form, notice by mailing given as above prescribed shall be sufficient and notice by publication need not be given. Failure to give such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no failure or defect has occurred.

Each notice shall set forth the date fixed for redemption for each Bond being redeemed, the rate of interest borne by each Bond being redeemed, the redemption price to be paid, the date of publication, if any, of a notice of redemption, the name and address of the Registrar, and, if less than all of the Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

In addition to and conditional upon the publication and mailing of the notice described above, each notice of redemption and payment of the redemption price shall meet the requirements of this paragraph; provided however, that failure of such notice or payment to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above in this Section.

(a) Each notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company, New York, New York, Pacific Securities Depository Trust Company, San Francisco, California and Philadelphia Depository Trust Company, Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(b) Each notice of redemption shall be published one time in THE BOND BUYER of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the holders of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 5.06. Effect of Notice of Redemption. Notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been published and/or mailed as required herein and moneys for payment of the redemption price being held in separate accounts by the Paying Agents in trust for the registered owners of the Bonds or portions thereof to be redeemed, all as provided in this resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this resolution, and the holders or registered owners of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 5.07 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

SECTION 5.07. Redemption of Portion of Registered Bonds. In case part but not all of an outstanding fully registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Issuer or its designated Paying Agent for payment of the principal amount thereof so called for redemption, and the Issuer shall execute and deliver to or upon the order of such registered owner, without charge therefor, for the unredeemed balance of the

principal amount of the Bond so surrendered, a Bond or Bonds fully registered as to principal and interest.

SECTION 5.08. Bonds Called for Redemption not Deemed Outstanding. Bonds or portions of Bonds that have been duly called for redemption under the provisions of this Article V, and with respect to which amounts sufficient to pay the principal of, premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate accounts by any Authorized Depository or any Paying Agent in irrevocable trust for the registered owners thereof, as provided in this resolution, shall not be deemed to be outstanding under the provisions of this resolution and shall cease to be entitled to any lien, benefit or security under this resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the Authorized Depository or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in Section 5.07 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

SECTION 5.09. Form of Bonds. The text of the Bonds, the form of assignment for such Bonds and the form for the Certificate of Authentication, if any, and provisions for compound, zero and dual interest rate bonds, if any, shall be in substantially the form attached hereto as Exhibit I, with such omissions, insertions and variations as may be necessary or desirable and authorized, permitted by or not inconsistent with this resolution or by any subsequent ordinance or resolution enacted or adopted prior to the issuance thereof or as may be approved by the Mayor, including, without limitation, such changes as may be required for the issuance of Capital Appreciation Bonds, Taxable Bonds, uncertificated public obligations or coupon Bonds to the extent herein authorized and for the execution of the Bonds by an authenticating agent.

SECTION 5.10. Application of 1998 Bond Proceeds. Unless otherwise provided to the contrary by subsequent ordinance or resolution enacted or adopted coincident with or prior to the sale of the 1998 Bonds the proceeds, including accrued interest and premium, if any, received from the sale of the 1998 Bonds shall be applied by the Issuer, simultaneously with the delivery of the 1998 Bonds, in the following order and priority:

(1) Accrued Interest. Accrued interest, if any, shall be deposited in the Debt Service Fund, hereinafter created, and used to pay the interest on the 1998 Bonds next coming due.

(2) Cost of Issuance. An amount equal to the costs of issuance of the 1998 Bonds, including, without limitation to be held by the Issuer and shall be used to pay when due the costs of issuance of the 1998 Bonds.

(3) All Remaining Funds. The balance of said proceeds shall be deposited to the credit of the Capital Improvement Fund, hereinafter created.

SECTION 5.11. Temporary Bonds. Pending the preparation of definitive Bonds, the Issuer may execute and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds without coupons, of any authorized denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions, and variations as may be appropriate for temporary Bonds, all as may be determined by the Issuer. Temporary Bonds may contain such reference to any provisions of this resolution as may be appropriate. Every temporary Bond shall be executed and authenticated upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable the Issuer shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange for definitive Bonds without charge at the principal office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this resolution as definitive Bonds.

SECTION 5.12. Delegation of Selection of an Original Purchaser(s) and Award of Sale to an Original Purchaser.

A. The sale of the Bonds is hereby awarded to Northern Trust Bank.

B. Notwithstanding any provision of this Resolution to the contrary, unless otherwise provided by subsequent resolution of the Issuer adopted prior to the award of the sale of the 1998 Bonds, the Mayor or the Town Manager is hereby authorized and directed to approve the terms of the 1998 Bonds, including, without limitation, the principal amount thereof, the date thereof, the first interest payment date with respect thereto, the interest rate or rates with respect thereto, the purchase price thereof and the redemption provisions with respect thereto; provided, however, that in no event shall (i) the principal amount of the 1998 Bonds exceed \$600,000, (ii) the true interest cost rate of the 1998 Bonds (the TIC) exceed 8.0% (the Maximum TIC); or (iii) the interest rate on the 1998 Bonds exceed the maximum rate permitted by applicable law; and provided further that (iv) the Mayor or Town Manager shall have received the disclosure certificate required pursuant to Section 218.385, Florida Statutes, and shall have been advised of and approved the costs of issuance and payment of same from the proceeds of the 1998 Bonds. The 1998 Bonds shall have the terms and characteristics provided in a Mayor's or Manager's Certificate to be signed by the Mayor or the Town Manager.

C. Upon receipt of a disclosure statement required pursuant to Section 218.385(6), Florida Statutes, and a financial analysis from the Town Manager evidencing compliance with the interest rate and the Maximum TIC requirements set forth in Paragraph A above, and verifying the principal amount of such 1998 Bonds, the Mayor or the Town Manager is hereby authorized to accept the offer of the Original Purchaser to purchase the 1998 Bonds and to execute and deliver the Bond Purchase Contract, if necessary, in the form acceptable to the Town Manager, execution thereof to be conclusive evidence of the approval thereof.

SECTION 5.13. Delegation of Authority to Approve Official Statement.

The Governing Body hereby authorizes, to the degree deemed necessary by the Mayor or the Town Manager, the preparation and distribution of the preliminary and final official statements, offering or placement memoranda, other similar disclosure materials and supplements thereto in substantially such form as shall be attached to a Manager's Certificate and approved by the Town Manager, such approval to be set forth in such Mayor's or Manager's Certificate. The Mayor or Vice Mayor is hereby authorized to execute such materials where appropriate on behalf of the Town. The Town Manager is hereby authorized and directed to take such actions and make such certifications as may be necessary to ensure or facilitate compliance by the Town with SEC Rule 15c2-12, including entering into a disclosure agreement with respect to the requirements under such rule.

SECTION 5.15. Authorization to Execute Documents. The Mayor and the Town Manager are hereby charged with the responsibility of taking all actions necessary to issue the 1998 Bonds upon the terms and conditions contained herein and the Mayor or the Town Manager is hereby authorized to sign all documents

necessary in connection with the issuance of the 1998 Bonds and to carry out the purposes of this Resolution.

ARTICLE VI

SOURCE OF PAYMENT OF BONDS; SPECIAL OBLIGATIONS OF THE ISSUER

SECTION 6.01. Bonds Not to be General Obligation or Indebtedness of the Issuer. The Bonds shall not be deemed to constitute general obligations or a pledge of the faith and credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues, in the manner and to the extent herein provided. No Bondholder shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property to pay such Bonds or the interest thereon, nor shall any Bondholder be entitled to payment of such principal and interest from any other funds of the Issuer other than the Pledged Revenues, all in the manner and to the extent herein provided. The Bonds and the indebtedness evidenced thereby shall not constitute a lien upon any real or personal property of the Issuer, or any part thereof, or any other tangible - personal property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues, all in the manner and the extent provided herein.

SECTION 6.02. Pledge. The payment of the principal of, premium, if any, and interest on the Bonds shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Revenues, all in the manner and to the extent provided herein. The Issuer does hereby irrevocably pledge such Pledged Revenues to the payment of the principal of, premium, if any, and interest on the Bonds, and for all other payments as provided herein, in the order of priorities set forth herein.

ARTICLE VII

CREATION AND USE OF FUNDS AND ACCOUNTS; DISPOSITION OF REVENUES

SECTION 7.01. Creation of Funds and Accounts. There have been created and established under the 1996 Resolution the Capital Improvement Fund and the Debt Service Fund.

The Capital Improvement Fund and the Debt Service Fund and all accounts therein hereafter created shall constitute trust funds for the purposes herein provided, shall be delivered to and held by the Town Manager (or an Authorized Depository designated by the Town Manager), in each case who shall act as trustee of such funds for the purposes hereof, and shall at all times be kept separate and distinct from all other funds of the Issuer and used only as herein provided. Moneys held in the Capital Improvement Fund and the Debt Service Fund and the accounts and subaccounts therein shall be subject to a lien and charge in favor of the holders and registered owners of the Bonds as herein provided.

SECTION 7.02. Capital Improvement Fund. There is hereby established a separate account in the Capital Improvement Fund designated as the 1998 Costs of Issuance Account for receipt and disbursement of the costs of issuance of the 1998 Bonds. The Issuer shall establish similar accounts with respect to each Series of Additional Bonds issued hereunder. Moneys in the Capital Improvement Fund and in each account thereof shall be kept separate and apart from all other funds and accounts of the Issuer, and funds initially deposited therein shall be withdrawn, used and applied by the Issuer solely for the payment of the Cost of the Project.

Any funds on deposit in the Capital Improvement Fund that in the opinion of the Issuer are not immediately necessary for expenditure, as hereinabove provided, may be invested in Investment Obligations, provided that such investments mature or are redeemable at not less than par on or before the date such funds are estimated to be needed for the purposes hereof. Except as otherwise provided in this resolution, all income derived from the investment of funds in the Capital Improvement Fund shall be deposited into the Capital Improvement Fund.

Any amounts remaining in the Capital Improvement Fund from proceeds of the 1998 Bonds after funds on deposit therein are no longer needed to be expended for the purpose for which such fund was created hereunder and which have not been reserved by the Issuer for the payment of the Cost of the Project shall be transferred at the option of the Issuer to the Debt Service Fund and used to redeem Bonds in the manner described in Section 7.04(3) below, or, upon receipt of an opinion from Bond Counsel that the interest on the Bonds that are not Taxable Bonds will not be required to be included in gross income for federal income tax purposes as a result of such action, (i) shall be deposited into the Debt Service Fund and used to pay principal and interest next coming due on the Bonds, or(ii) shall be paid to the Issuer to be used for any lawful purpose.

SECTION 7.03. Disposition of Pledged Revenues.

(1) Commencing immediately following the issuance of the 1998 Bonds, and continuing thereafter so long as any Bonds shall be Outstanding hereunder, the Issuer shall deposit to the credit of the Funds and Accounts listed below on or before the principal payment date or interest payment date of each Bond Year, from Pledged Revenues, amounts which, together with Funds on deposit therein, will be sufficient to satisfy the cumulative deposit requirements described in clauses (a) and (b) below. Pledged Revenues shall be deposited in the following order and priority:

(a) First, by deposit into the Debt Service Fund an amount which, together with any other amounts required to be deposited therein pursuant to this Resolution, will equal (i) the interest maturing on the Bonds on the next semiannual interest payment date, with respect to Bonds that bear interest payable semiannually, and (ii) the principal and, with respect to Capital Appreciation Bonds, the Compounded Amounts, maturing or becoming due during the current Bond Year on the various Series of Serial Bonds that mature annually, and the principal and, with respect to Capital Appreciation Bonds, the Compounded Amounts, maturing on the next maturity date in such Bond Year on the various Series of Serial Bonds that mature semiannually, and the Amortization Installments and unamortized principal

balances of Term Bonds coming due during the current Bond Year with respect to the Bonds, until there are sufficient funds then on deposit equal to the sum of the interest, principal and redemption payments due on the Bonds on the next interest, principal and redemption dates in such Bond Year.

Deposits shall be increased or decreased to the extent required to pay principal and interest coming due, after making allowance for any accrued and capitalized interest. Additionally, if Bonds constituting Variable Rate Bonds are outstanding on the date amounts are required to be deposited pursuant to paragraph (1) above, the Issuer shall deposit into the Debt Service Fund in lieu the interest deposit above, the interest actually accruing on such Bonds for each month (plus any deficiencies in interest deposits for the preceding month), assuming the interest rate thereon on such date will continue through the end of such month. On or before each interest payment date, the Issuer shall make up any deficiencies in such interest deposit, based on the actual interest accruing through such date.

(b) Thereafter any remaining Pledged Revenues shall be available to the Issuer to be used for any lawful purpose.

(2) The Issuer shall not be required to make any further payments into the Debt Service Fund, including the accounts therein, or if all Bonds then Outstanding have otherwise been defeased pursuant to Section 13.02 below.

SECTION 7.04. Use of Moneys in the Debt Service Fund.

(1) Moneys on deposit in the Debt Service Fund shall be used solely for the payment of the principal of, interest on and any redemption premiums required with respect to the Bonds;

(2) At the maturity date of each Bond and at the due date of such Amortization Installment and installment of interest on such Bonds, the Issuer shall transfer from the Debt Service Fund to the Paying Agent for such Bonds sufficient moneys to pay all principal of, premium, if any, and interest then due and payable with respect to such Bonds. Interest accruing with respect to any fully registered Bond shall be paid by check or draft of the Paying Agent to the registered owner thereof.

(3) Moneys on deposit in the Debt Service Fund for the redemption of Bonds shall be applied to the retirement of Bonds issued under the provisions of this resolution and then outstanding in the following order:

(a) The Issuer shall first endeavor to purchase Outstanding Term Bonds redeemable from Amortization Installments during such Bond Year, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are Outstanding, or if no such Term Bonds are then Outstanding, the Issuer shall endeavor to purchase Serial Bonds whether or not such Bonds

shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price obtainable, such price not to exceed the principal of such Bonds plus accrued interest (or with respect to Capital Appreciation Bonds, the Compounded Amount) but no such purchase shall be made by the Issuer within a period of thirty (30) days next preceding any interest payment date on which such Bonds are subject to call for redemption under the provisions of this resolution;

(b) Then, to the extent moneys remain on deposit in the Debt Service Fund that are held for the redemption of Bonds, the Issuer shall call for redemption on each interest payment date on which Bonds are subject to redemption, with or without premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to clause (a) above; and

(c) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to this resolution for the purpose of redeeming Bonds, the Issuer shall first call any remaining Bonds then subject to redemption, in such order and by such selection method as the Issuer, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

(d) Then, to the extent moneys remain on deposit in the Debt Service Fund that were deposited therein pursuant to this resolution for the purpose of redeeming Bonds, the Issuer may, in its discretion from time to time (i) use such moneys to defease Bonds, pay the principal of or interest on Bonds, or any other lawful purpose, or (ii) keep such moneys on deposit in the Debt Service Fund for future use pursuant to this Section 7.04; provided, however, that such moneys shall be used for any purpose or purposes allowed pursuant to clause (i) above only if the Issuer shall obtain an opinion of Bond Counsel to the effect that such use will not cause the interest on any Bond (other than any Taxable Bond) to become included in the gross income of the Bondholder thereof.

If Term Bonds are purchased or redeemed pursuant to this section in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for such Term Bonds in such Bond Year or Bond Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records.

Notwithstanding the foregoing, to the extent that moneys are deposited into the Debt Service Fund in a given Bond Year in an amount equal to the Amortization Installment for such Bond Year and are applied to purchase or redeem Term Bonds to which such Amortization Installment applies, then all moneys thereafter deposited to the Redemption Account in such Bond Year may be applied as

provided in clause (c) above.

SECTION 7.06. Paying Agents. The Issuer shall transfer, from the Debt Service Fund to one or more Paying Agents (which may include the Issuer itself) as shall be designated by ordinance or resolution hereafter and from time to time enacted or adopted by the Issuer on the Business Day preceding each interest, principal and redemption date, by wire transfer or delivery in other immediately available funds, an amount sufficient to pay when due the principal of, interest on and redemption premium, if any, with respect to the 1998 Bonds. Initially, unless otherwise designated by the Mayor or Town Manager prior to the issuance of the 1998 Bonds, the Issuer shall act as Paying Agent with respect to the 1998 Bonds.

ARTICLE VIII

DEPOSITORIES OF FUNDS, SECURITY FOR DEPOSITS AND INVESTMENT OF MONEYS

SECTION 8.01. Deposits Constitute Trust Funds. All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer for application in accordance with the terms and provisions of this resolution shall be held in trust and applied only in accordance with the provisions of this resolution, and shall not be subject to lien or attachment by any creditor of the Issuer.

All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer pursuant to this resolution, and any investment income thereon, shall be continuously secured, for the benefit of the Issuer and the Bondholders in the order and manner and for the purposes provided in this resolution either (a) by depositing with an Authorized Depository, as custodian, collateral security consisting of obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as permitted hereunder and as may then be required or permitted by applicable state and federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, including without limitation, the provisions of Chapter 280, Florida Statutes, as from time to time amended.

All moneys deposited with each Authorized Depository shall be credited to the particular fund or account to which such moneys belong.

SECTION 8.02. Investment of Moneys. Moneys held for the credit of the Debt Service Fund and the accounts therein shall be invested and reinvested by the Issuer in Investment Obligations of the type described in clauses (1) through (3) and clause (5) of the definition of that term. Moneys held for the credit of the other funds and accounts established hereunder shall be invested and reinvested by the Issuer in Investment Obligations. Such investments or reinvestments shall mature or become available not later than the respective dates, as estimated by the Issuer, that the

moneys held for the credit of said funds and accounts will be needed for the purposes of such funds or accounts.

Except as otherwise expressly provided herein, including specifically the obligations of the Issuer with respect to paying the Rebate Amount as set forth in Section 13.03 hereof, all income and profits derived from the investment of moneys in the Capital Improvement Fund and the Debt Service Fund shall be retained in such funds and used for the purposes specified for such respective fund; thereafter, such income and profits shall be deposited into the Capital Improvement Fund until the Issuer no longer needs such funds to pay the Costs of the Project, and, thereafter, all such income and profits shall be deposited into the Debt Service Fund. Notwithstanding the foregoing, income and profits derived from the investment of moneys in the funds and accounts created hereunder may, at the option of the Issuer, be transferred to the Issuer in order to pay the Rebate Amount.

All such investments shall be made in compliance with Section 13.03 below.

ARTICLE IX

GENERAL COVENANTS OF THE ISSUER

SECTION 9.01. Anti-Dilution Test. The Issuer may incur additional debt that is payable from all or a portion of the Pledged Revenues only if the total amount of Pledged Revenues for the prior fiscal year were (a) at least 1.15 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the Issuer's most recent audited financial statements and the debt proposed to be incurred) to be paid from Pledged Revenues (collectively, Debt), including any Debt payable from one or several specific revenue sources.

SECTION 9.03. Annual Audit.

(1) Annual Audit. The Issuer shall require that an annual audit of its accounts and records with respect to its General Fund and the Pledged Revenues and the funds and accounts hereunder be completed as soon as practicable after the end of each Fiscal Year by an independent certified public accountant of recognized standing. Such audit shall be conducted in accordance with generally accepted auditing standards as applied to governmental units.

(2) Availability of Reports. A copy of the comprehensive annual financial report as certified according to the requirements stated herein shall be available for inspection at the offices of the Issuer and shall be promptly furnished to the underwriter of each Series of Bonds and mailed to any Bondholder requesting the same, upon payment by such Bondholder of the cost of reproduction and mailing .

SECTION 9.04. Qualified Tax Exempt Obligations. The 1998 Bonds are hereby designated as qualified tax-exempt obligations for the purposes of Section 265(b)(3) of Code. In that connection, the Issuer hereby represents and covenants

that it, together with all its subordinate entities which issue obligations, on or during calendar year 1998 (i) have not and will not issue tax-exempt obligations (including the Bonds) which are designated as qualified tax-exempt obligations for the purposes of Section 265(b)(3) of the Code in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing and will not issue tax-exempt obligations (including the Bonds, but excluding obligations (other than qualified 501(c)(3) bonds as defined in Section 145 of the Code) that are private activity bonds, as defined in Section 141 of the Code, and excluding refunding obligations that are not advance refunding obligations, as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the Issuer first obtains a written opinion of Bond Counsel that such designation or issuance, as applicable, will not adversely affect the status of the 1998 Bonds as a qualified tax-exempt obligation. Further, the Issuer represents and covenants that, during any time or in any manner as might affect the treatment of the 1998 Bonds as a qualified tax-exempt obligation, it has not formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of sub-paragraph (C) or (D) of Section 265(b)(3) of the Code, and will not form or participate in the formation of, or benefit from or avail itself of, any such entity. The Issuer further represents that the 1998 Bonds are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax-exempt obligations of different issuers.

ARTICLE X

ISSUANCE OF ADDITIONAL INDEBTEDNESS

SECTION 10.01. Issuance of Bonds or Other Obligations. The Issuer will not issue any obligations (other than the 1998 Bonds authorized by Section 5.01 hereof) payable from the Pledged Revenues, or any portion thereof, or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge, in each case, having priority to or being on a parity with the lien securing any Bonds issued pursuant to this resolution upon the Pledged Revenues or any portion thereof, except to the extent permitted and upon the terms and conditions specified in Sections 10.02 and 10.03 below.

SECTION 10.02. Issuance of Additional Bonds. Except as provided in Section 10.03 hereof, no Additional Bonds shall be issued unless the Issuer shall have complied with the conditions set forth below.

(1) Certificate of CPA. There shall have been obtained and filed with the Governing Body a certificate of an independent certified public accountant evidencing compliance with the requirements of Section 9.01 hereof upon the issuance of such Additional Bonds.

(2) No Default. The Town Manager of the Issuer shall certify that (i) the Issuer is not in default in the performance of any of the covenants and obligations assumed by it hereunder or under any ordinance, resolution or other enabling instrument of the Issuer pursuant to which Additional Bonds have been issued, and

(ii) all payments herein required to have been made into the funds and accounts provided by this resolution or by such other ordinance, resolution or enabling instrument shall have been made in full to the extent required.

(3) Due Authorization. The Town Attorney of the Issuer or a duly authorized assistant Town Attorney shall submit an opinion to the Governing Body of the Issuer to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled.

(4) Covenants Applicable. Each ordinance, resolution or enabling instrument authorizing the issuance of Additional Bonds issued pursuant to Section 10.02 and, unless all Bonds outstanding shall be refunded, Section 10.03 hereof will contain a provision to the effect that all of the covenants herein contained (except as to the details of such Additional Bonds) will be fully applicable to such Bonds as if originally issued hereunder.

The 1998 Bonds, the 1996 Bonds, all Additional Bonds issued pursuant to this Article X and any other additional debt secured by all or a portion of the Pledged Revenues, regardless of time or times of their issuance shall rank equally without preference of any 1998 Bonds, 1996 Bonds or Additional Bonds over any other; provided however, that any additional debt not issued as Additional Bonds hereunder shall not be secured by or have any lien on the funds and accounts created hereunder or any money or investments held hereunder for the benefit of the holders of the Bonds.

(5) Opinion of Bond Counsel. An opinion of Bond Counsel shall be delivered to the Governing Body to the effect that the issuance of Additional Bonds will not impair the exclusion from gross income for federal income tax purposes of interest paid on any Bonds issued hereunder and then Outstanding that are not Taxable Bonds.

SECTION 10.03. Refunding Bonds. In addition to the foregoing, the Issuer may issue at any time and from time to time Additional Bonds for the purpose of refunding the 1998 Bonds or any other Series of Bonds, or any maturity of Bonds within a Series, provided that prior to the issuance of such Additional Bonds there shall be filed with the Governing Body of the Issuer a certificate from a Qualified Independent Consultant to the effect that (i) the net proceeds from such Additional Bonds will be sufficient to cause the lien created by this resolution with respect to the Bonds to be refunded to be defeased pursuant to Section 13.02 below and (ii) unless all Bonds then Outstanding shall be refunded or the conditions of Section 10.02 above shall be satisfied, the Bond Service Requirement with respect to such Additional Bonds in each Bond Year following the issuance thereof shall be equal to or less than the Bond Service Requirement for such Bond Year with respect to the Bonds which would have been Outstanding in that Bond Year had the same not been refunded pursuant to this section. Prior to or concurrently with the issuance of such Bonds, there shall be filed with a representative of the Issuer, an opinion of Bond Counsel to the effect that (i) the net proceeds from the sale of such Additional Bonds

have been set aside in irrevocable escrow for the payment of the Bonds to be refunded in the manner described in Section 13.02 below and (ii) the issuance of such Additional Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Bond then Outstanding under this resolution (other than any Taxable Bond) including the Bonds to be refunded, to become includable in gross income for federal income tax purposes.

ARTICLE XI

EVENTS OF DEFAULT; REMEDIES

SECTION 11.01. Events of Default. Each of the following events is hereby declared an event of default, that is to say if:

(a) payment of principal of any Bond shall not be made when the same shall become due and payable, either at maturity (whether by acceleration or otherwise) or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest shall not be made when the same shall become due and payable; or

(c) the Issuer shall fail to make any deposits required to be made hereunder or shall otherwise fail to comply with any of the covenants and obligations of the Issuer hereunder and such failure shall continue unremedied for a period of thirty (30) days after such failure to deposit or other such occurrence; or

(d) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other similar law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(e) any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Revenues.

Notwithstanding the foregoing, with respect to the events described in clause (c), the Issuer shall not be deemed 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 the default has been corrected.

SECTION 11.02. Enforcement of Remedies. Upon the happening and

continuance of any event of default specified in Section 11.01 of this Article, then and in every such case the owners of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Florida to serve as trustee for the benefit of the holders of all Bonds then outstanding (the Default Trustee). Notice of such appointment, together with evidence of the requisite signatures of the holders of twenty-five percent (25%) of the Bond Obligation and the trust instrument under which the Default Trustee shall have agreed to serve shall be filed with the Issuer and the Default Trustee and notice of such appointment shall be published in THE BOND BUYER or a financial journal of general circulation in the City of New York, New York and mailed to the registered holders of the Bonds. No more than one Default Trustee may be appointed and serving hereunder at any one time; however, the holders of a majority of the Bond Obligation acting jointly, may remove the Default Trustee initially appointed and appoint a successor and subsequent successors at any time. If the default for which the Default Trustee was appointed is cured or waived pursuant to this Article, the appointment of the Default Trustee shall terminate with respect to such default.

After a Default Trustee has been appointed pursuant to the foregoing, the Default Trustee may proceed, and upon the written request of owners of twenty-five percent (25%) of the Bond Obligation acting jointly, shall proceed, to protect and enforce the rights of the Bondholders under the laws of the State of Florida, including the Act, and under this resolution, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction; either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Default Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the Issuer under this resolution the Default Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any provisions of this resolution or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest, at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Default Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Debt Service Fund and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

SECTION 11.03. Effect of Discontinuing Proceedings. In case any proceeding taken by the Default Trustee or any Bondholder on account of any default

shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Default Trustee or such Bondholder, then and in every such case the Issuer, the Default Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Default Trustee shall continue as though no such proceeding had been taken.

SECTION 11.04. Directions to Default Trustee as to Remedial Proceedings. Notwithstanding anything in this resolution to the contrary, the holders of a majority of the Bond Obligation shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Default Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Default Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this resolution, and that the Default Trustee shall have the right to decline to follow any such direction which in the opinion of the Default Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

SECTION 11.05. Restrictions on Actions by Individual Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Default Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Default Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Default Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Default Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Default Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Default Trustee, to be conditions precedent to the execution of the powers and trusts of this resolution or for any other remedy hereunder. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such owners by law are restricted by this resolution to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the

source and in the manner provided in this resolution.

ARTICLE XII

SECONDARY MARKET DISCLOSURE

This Article shall only apply to the Bonds to the extent that the Bonds are issued subject to the provisions of Rule 15c2-12 (the Rule), promulgated by the Securities and Exchange Commission (the Commission) pursuant to the Securities Exchange Act of 1934.

Section 12.01 Continuing Disclosure Undertaking.

1. The Issuer hereby agrees, in accordance with the provisions of Rule to provide or cause to be provided, to each nationally recognized municipal securities information repository (NRMSIR) designated by the Commission in accordance with the Rule, and to the appropriate state information depository (SID), if any, designated by the State of Florida, the following annual financial information and operating data (the Annual Information), commencing with the fiscal year ended September 1998:

(a) The amount of non-ad valorem revenues collected by the Issuer, computation of direct and overlapping debt, all generally consistent with such information as it is included in the Official Statement for the Bonds.

(b) The audited general purpose financial statements of the Issuer utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial statements.

The information in a. above will be available on or before June 1 of each year for the preceding fiscal year and will be made available, in addition to the NRMSIR's and the SID, to each holder of Bonds who requests such information. Audited financial statements of the Issuer are expected to be available separately from the information in a. above and will be provided as soon as practical after acceptance of such statements from the auditors by the Issuer. The audited financial statements are generally available within eight months of the end of the fiscal year.

2. The Issuer agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the Municipal Securities Rulemaking Board (MSRB) and (ii) the SID, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;

- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) modifications to rights of holders of the Bonds;
- (h) bond calls;
- (i) defeasance;
- (j) release, substitution, or sale of any security securing repayment of the Bonds;
- (k) rating changes.

3. The Issuer agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the MSRB and (ii) the SID, notice of its failure to provide the Annual Information with respect to itself on or prior to the date set forth in Subsection 1. above.

4. The obligations of the Issuer hereunder shall remain in effect only so long as the Bonds are outstanding. The Issuer reserves the right to terminate its obligation to provide the Annual Information and notices of material events, as set forth above, if and when the Issuer no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

5. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the holders of the Bonds and shall be enforceable by any holder of the Bonds; provided that, the right of any such holder to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder and any failure by the Issuer to comply with the provisions of this undertaking shall not be a default hereunder with respect to the Bonds.

6. Notwithstanding the foregoing, the NRMSIRs to which information shall be provided shall include those NRMSIRs approved by the Commission prior to the issuance of the Bonds. In the event the Commission approves any additional NRMSIRs after the date of issuance of the Bonds, the Issuer shall, if the Issuer is notified of such additional NRMSIRs, provide such information to the additional NRMSIRs. Failure to provide information to any new NRMSIR whose status as a NRMSIR is unknown to the Issuer shall not constitute a breach of the foregoing covenant.

7. Additionally, the requirements of Subsection 1. above, do not necessitate the preparation of any separate annual report addressing only the Bonds. The requirements of Subsection 1. may be met by the filing of a general annual information statement or the Issuer's Comprehensive Annual Financial Report, provided such report includes all of the required information and is available by December 1. Additionally, the Issuer may incorporate any information provided in any prior filing with each NRMSIR or included in any final official statement of the Issuer, provided such final official statement is filed with the MSRB.

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

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.01. Modification or Amendment. This resolution may be modified or amended by ordinance or resolution and may be supplemented for the completion of all appropriate blanks and for the addition of terms, covenants and provisions in the manner herein provided and as may further be necessary for the issuance of the Bonds hereunder from time to time by supplemental ordinance or resolution adopted concurrently with or prior to the issuance of the 1998 Bonds. Thereafter, no modification or amendment of this resolution or of any resolution or ordinance amendatory hereof or supplemental hereto not provided for herein, materially adverse to the Bondholders of a Series, the owners of not less than a majority of the Bond Obligation of such Series of Bonds, but no modification, amendment or supplemental ordinance or resolution shall permit a change (a) in the maturity of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, or (c) that would reduce such percentage of holders of the Bonds, required above for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, the Bonds owned by or held for the account of the Issuer, directly or indirectly, shall not be counted. The Issuer may amend this resolution to authorize the issuance of Bonds in coupon form pursuant to Section 5.02 prior to the sale of any Series of Bonds, and may make other amendments not prohibited by the foregoing without the consent of the Bondholders.

SECTION 13.02. Defeasance. If, at any time after the date of issuance of the Bonds, (a) all Bonds secured hereby or any Series thereof or maturity of Bonds within a Series shall have become due and payable in accordance with their terms or otherwise as provided in this resolution, or shall have been duly called for redemption, or the Issuer gives the Paying Agents irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds at maturity or at any earlier redemption date scheduled by the Issuer, or any

combination thereof, (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds or any Series thereof or maturity of Bonds within a Series then Outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by a Paying Agent or other Authorized Depository acting as an escrow agent in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby) which, when invested in Direct Obligations maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on such Bonds at the maturity thereof or the date upon which such Bonds are to be called for redemption prior to maturity, and (c) provisions satisfactory to the Registrar and Paying Agent shall also be made for paying all fees, charges and expenses of the Registrar and Paying Agent payable hereunder by the Issuer, then and in that case the right, title and interest of such Bondholders hereunder and the pledge of and lien on the Pledged Revenues, the covenant of the Issuer pursuant to Section 6.03 hereof, and all other pledges and liens created hereby or pursuant hereto, with respect to such Bondholders shall thereupon cease, determine and become void, and if such conditions have been satisfied with respect to all Bonds issued hereunder and then Outstanding, all balances remaining in any other funds or accounts created by this resolution other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the Issuer hereunder shall be distributed to the Issuer for any lawful purpose; otherwise this resolution shall be, continue and remain in full force and effect. For purposes of this Section 13.02, the amount of interest to accrue on Variable Rate Bonds to maturity or redemption shall be determined by assuming interest thereon will accrue at the maximum rate of interest on such Variable Rate Bonds may bear pursuant to the ordinance or resolution authorizing the issuance thereof, or the maximum rate permitted by law if such authorizing ordinance or resolution provides no maximum rate of interest.

Notwithstanding any other provision of this resolution, including in particular this Section 13.02, the obligation to pay over the Rebate Amount to the United States and to comply with all other requirements of Section 13.03 hereof shall survive the defeasance or payment in full of the Bonds.

SECTION 13.03. Tax Covenants. It is the intention of the Issuer and all parties under its control that the interest on each Series of Bonds issued hereunder that are not Taxable Bonds be and remain excluded from gross income for federal income tax purposes and to this end the Issuer hereby represents to and covenants with each of the holders of the Bonds issued hereunder that are not Taxable Bonds that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Code to the extent necessary to preserve the exclusion of interest on each Series of Bonds issued hereunder are not Taxable Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

- (1) with respect to each Series of Bonds that are not Taxable Bonds, to make or cause to be made all necessary determinations and

calculation or, and to pay to the United States of America from the funds and sources of revenues pledged to the payment of the Bonds, and from any other legally available funds, at the times and to the extent required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on such Series of Bonds, plus any income attributable to such excess (the Rebate Amount);

(2) to maintain and retain all records pertaining to the Rebate Amount with respect to each Series of Bonds issued hereunder that are not Taxable Bonds and required payments of the Rebate Amount with respect to each such Series of Bonds for at least six years after the final maturity of each such Series of Bonds or such other period as shall be necessary to comply with the Code;

(3) to refrain from using proceeds from the Bonds issued hereunder that are not Taxable Bonds, in a manner that might cause the Bonds or any of them, to be classified as private activity bonds; and

(4) to refrain from taking any action that would cause the Bonds issued hereunder that are not Taxable Bonds, or any of them, to become arbitrage bonds under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code are applicable to the Bonds.

Notwithstanding any other provision of this resolution, including in particular Section 13.02 hereof, the obligation to pay over the Rebate Amount to the United States and to comply with all other requirements this Section 13.03 shall survive the defeasance or payment in full of the Bonds.

SECTION 13.04 Bond Counsel. The Issuer hereby appoints Adorno & Zeder, P.A., Miami, Florida, as the Bond Counsel in connection with the Bonds and agrees to pay it such fees and costs as may be agreed to by it and the Mayor, the Town Manager or the Town Attorney.

SECTION 13.05. Severability. If any one or more of the covenants, agreements or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this resolution or of the Bonds issued hereunder.

SECTION 13.06. No Third-Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this resolution expressed or implied is

intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Bonds issued under and secured by this resolution, any right, remedy or claim, legal or equitable, under or by reason of this resolution or any provision hereof, this resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the Bonds issued hereunder.

SECTION 13.07. Controlling Law: Members of Issuer Not Liable. All covenants, stipulations, obligations and agreements of the Issuer contained in this resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or this resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Issuer or such members thereof.

SECTION 13.08. Effect of Covenants. All covenants, stipulations, obligations and agreements of the Issuer contained in this resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer and of the Governing Body and of each department and agency of the Issuer to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided herein, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or upon the Governing Body by the provisions of this resolution shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

SECTION 13.09. Repeal of Inconsistent Resolutions. All resolutions or parts thereof in conflict herewith are to the extent of such conflict superseded and repealed.

SECTION 13.10. Effective Date. This resolution shall be effective immediately upon its adoption.

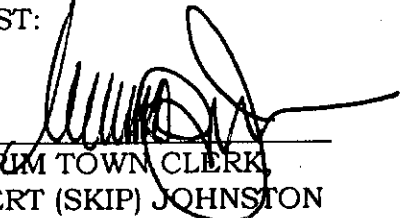
PASSED BY THE TOWN COUNCIL OF GOLDEN BEACH, FLORIDA, ON THIS 24th DAY OF MARCH, 1998.

The Motion to adopt the foregoing Resolution was offered by Councilmember Chikovsky, seconded by Councilmember Rodriguez and on roll call the following vote ensued:

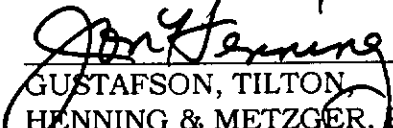
Mayor Cuenca	<u>Aye</u>
Vice Mayor Addicott	<u>Nay</u>
Councilwoman Chikovsky	<u>Aye</u>
Councilman Fistel	<u>Nay</u>
Councilman Rodriguez	<u>Aye</u>


MAYOR JUDY CUENCA

ATTEST:


INTERIM TOWN CLERK
ROBERT (SKIP) JOHNSTON

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY


GUSTAFSON, TILTON
HENNING & METZGER, P.A.
By: JON M. HENNING
TOWN ATTORNEY

Prepared by:

Adorno & Zeder, P.A.
2601 Bayshore Drive, Suite 1600
Miami, Florida 33133

BOND RESOLUTION
CAPITAL IMPROVEMENT REVENUE BONDS
SERIES 1998

TOWN OF GOLDEN BEACH
As Issuer

Adopted on March 18, 1998.

EXHIBIT I

No. _____ \$ _____

United States of America
State of Florida

TOWN OF GOLDEN BEACH, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 1998

Interest Rate: [Final] Maturity Date: Dated Date:
[CUSIP:]

REGISTERED OWNER:

[INITIAL] PRINCIPAL AMOUNT: DOLLARS

THE TOWN OF GOLDEN BEACH, a municipality duly created and existing under the laws of the State of Florida (the Issuer), for value received, hereby promises to pay, but solely from the Bond Security hereinafter referred to, to the registered owner, named above, or registered assigns (the registered owner or Holder), in lawful money of the United States of America, the [initial] principal amount stated above which shall be payable, if not prepaid, on the following dates in the following amounts:

<u>Principal Payment Date</u>	<u>Amount of Principal Payment</u>
October 1, 1999	\$46,841.52
October 1, 2000	\$49,366.21
October 1, 2001	\$52,026.98
October 1, 2002	\$54,831.16
October 1, 2003	\$57,786.48
October 1, 2004	\$60,901.09
October 1, 2005	\$64,183.57
October 1, 2006	\$67,642.98
October 1, 2007	\$71,288.84
October 1, 2008	\$75,131.17

The Issuer may prepay the principal hereof, in whole at any time or in part, on

the fifteenth day of any month without penalty. Any amounts of principal which are prepaid shall be applied against the annual installments of principal thereafter to become due in the direct order of their due dates.

The principal balance hereof, which shall be outstanding from time to time, shall bear interest from the dated date hereof at ____% per annum, which interest shall be calculated on the basis of a 360 day year of twelve (12) months of thirty (30) days each. Such interest shall be payable annually commencing October 1, 1999, and on each [October 1 and April 1] thereafter until this Bond is paid in full. Delinquent payments of principal and interest shall bear interest at the rate of 8% per annum.

This Bond has been authorized by and issued pursuant to Resolution No. _____.98, duly adopted by the Council on _____, 1998 (the Bond Legislation). The Bonds are issued and the Bond Legislation was enacted and adopted under and pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, and in accordance with the Charter of the Issuer.

The Bonds and the debt service thereon are limited obligations of the Issuer, payable solely from and equally and ratably secured by a pledge of the Pledged Revenues. The Bonds and the debt service thereon shall not be deemed to constitute general obligations of the Issuer and the full faith and credit of the State of Florida or any political subdivision thereof or any municipality, including without limitation, the Issuer is not pledged to the payment thereof. Neither the State of Florida nor any political subdivision thereof or municipality, including, without limitation, the Issuer, shall be obligated to pay the principal of or interest on the Bonds except that the Issuer is obligated to pay the same solely from the Bond Security pledged therefor as provided in the Bond Legislation. The Bonds are on parity with the 1996 Bonds in all regards.

The Town Manager, or the designee thereof, shall serve as Paying Agent for this Bond, all payments of interest and principal shall be made when due (or if the date due is not a business day, such payment shall be made on the next day which is a business day) to the person who is the registered owner hereof as of the close of business of the Issuer on the business day immediately preceding the date on which such payment is required to be made; such payment shall be made (unless some other manner of payment is agreed to by the Holder and the Paying Agent) by a check of the Issuer, delivered on the due date to the address of the registered owner as shown on the registration books maintained by the Town Manager, or the designee thereof, as Registrar for this Bond, or at such other address as the Holder hereof may designate to the Paying Agent and Registrar in writing. The term business day means a day which is not a Saturday, Sunday or a holiday and on which both the Issuer and the registered owner are open for business.

Modifications or alterations of Bond Legislation, or of any ordinance or resolution supplemental thereto, if such amendment or modification would be prejudicial to the registered owner of this Bond, or impair the security and source of payments of this Bond, may be made only with the prior written consent of the

registered owner of this Bond.

The following shall constitute Events of Default hereunder:

(A) payment of principal of any Bond shall not be made when the same shall become due and payable, either at maturity (whether by acceleration or otherwise) or on required payment dates by proceedings for redemption or otherwise; or

(B) payment of any installment of interest shall not be made when the same shall become due and payable; or

(C) the Issuer shall fail to make any deposits required to be made hereunder or shall otherwise fail to comply with any of the covenants and obligations of the Issuer hereunder and such failure shall continue unremedied for a period of thirty (30) days after such failure to deposit or other such occurrence; or

(D) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other similar law or statute of the United States of America or the State of Florida, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(E) any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Revenues.

The Issuer covenants that it shall promptly notify the Holder hereof should any Event of Default occur. Upon the happening and continuance of any such Event of Default, then and in every such case, the Holder of this Bond may proceed to protect and enforce its rights under this Bond and the Bond Legislation by mandamus or by such other suit, action or special proceeding in equity or at law, either for the specific performance of any covenant or agreement contained herein or in the Bond Legislation or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as such Holder shall deem most effectual to protect and enforce such rights.

By receipt of this Bond, the Holder hereby acknowledges that: (1) it has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of investing in this Bond, (2) it is familiar with the finances and government of the Issuer and with the terms of the Bond Legislation and has access to the same kind of information that would be contained in an official statement or similar disclosure document to the extent that the Issuer possesses such information or the Holder can acquire such information without unreasonable effort or expense, and (3) it has had, prior to purchasing this Bond, the opportunity to ask questions and to receive answers from the Mayor and the Town Manager of the Issuer

concerning the Bonds, the Bond Legislation, the Pledged Revenues, the other Bond Security and the financial condition of the Issuer, as it has deemed necessary or appropriate.

This Bond may be transferred in whole, but not in part, and may be transferred only to a bank, savings association or insurance company. Transfer may be made only upon surrender hereof to the Registrar, with the assignment form set forth below, duly endorsed by the Holder or its attorney-in-fact, duly authorized in writing, together with transfer instructions containing the name, address and federal E.I.N. of the transferee. Upon such transfer a new Bond shall be executed and delivered to the transferee, and any installments of principal and interest theretofore paid shall be noted thereon. Any bank, savings association or insurance company to which this Bond is transferred shall thereupon become the Holder as defined herein. The Holder may also sell participations herein to any one or more banks, savings associations or insurance companies, so long as the Holder shall be the sole registered owner hereof. The Holder, by such a transfer hereof, represents that such transfer will not violate any applicable securities laws and if any transfer hereof by the Holder shall violate any applicable securities law the Holder shall indemnify the Issuer for any liability or expenses the Issuer may incur as a result thereof.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

The undersigned Mayor hereby certifies that this Bond was issued in compliance with the provisions of Section 218.385, Florida Statutes, as amended.

The undersigned Town Clerk hereby certifies that, at the time of initial issuance of this Bond, the Pledged Revenues, the proceeds of which are pledged as a part of the Bond Security to the payment of the Bonds, are at least equal to the aggregate principal amount of the Bonds, which are the only Bonds authorized by the Bond Legislation.

THE ISSUER BY ITS ISSUANCE HEREOF, AND THE REGISTERED OWNER, BY ACCEPTANCE HEREOF (FOR ITSELF, ITS SUCCESSORS AND ANY PARTICIPANTS IN ITS INTEREST HEREIN), MUTUALLY AND WILLINGLY (1) WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM WHETHER NOW EXISTING OR ARISING IN THE FUTURE, INCLUDING WITHOUT LIMITATION, ANY AND ALL CLAIMS ARISING FROM OR IN CONNECTION WITH THE ISSUANCE OF THIS BOND OR THE COMMITMENT LETTER OF NORTHERN TRUST BANK OF FLORIDA, N.A., DATED FEBRUARY 12, 1998 (THE COMMITMENT LETTER), PURSUANT TO WHICH THIS BOND WAS INITIALLY PURCHASED; (2) AGREE THAT ALL ACTIONS RELATING TO THIS BOND OR THE COMMITMENT LETTER SHALL BE BROUGHT ONLY IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT IN AND FOR DADE COUNTY, FLORIDA, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA; AND (3) AGREE THAT IF ANY ACTION SHALL BE BROUGHT BY ANY PERSON WHO IS OR WAS A REGISTERED OWNER HEREOF OR BY THE ISSUER RELATING TO THIS BOND OR TO THE COMMITMENT LETTER, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER REASONABLE ATTORNEY'S FEES AND COSTS.

FORM OF ASSIGNMENT

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

Name:

Address:

Tax No:

(Please Print or Type Name, Address and Social Security Number or other Federal Tax Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby does irrevocably constitute and appoint

Attorney to register the within Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Date:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed Signature of Bondholder(s) by a member firm of the New York Stock Exchange or a commercial bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name(s) of the registered holder(s) appearing upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the name, address and Social Security or other federal tax identification number of the Transferee is supplied.

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