

cc 08/20/15
Item # 8
(Revised)
Res. No. 958

CITY OF SATELLITE BEACH, FLORIDA
UTILITY TAX REVENUE BOND RESOLUTION
ADOPTED AUGUST 20, 2015

ARTICLE VI DEFAULTS AND REMEDIES.....	21
SECTION 6.01 Events of Default.....	21
SECTION 6.02 Remedies.....	22
SECTION 6.03 Directions to Trustee as to Remedial Proceedings.....	23
SECTION 6.04 Remedies Cumulative.....	23
SECTION 6.05 Waiver of Default.....	23
SECTION 6.06 Application of Moneys After Default.....	23
ARTICLE VII SUPPLEMENTAL RESOLUTIONS	24
SECTION 7.01 Supplemental Resolutions without Bondholders' Consent.....	24
SECTION 7.02 Supplemental Resolutions with Bondholders' Consent.....	24
ARTICLE VIII MISCELLANEOUS	26
SECTION 8.01 Defeasance.....	26
SECTION 8.02 Sale of Bonds.....	27
SECTION 8.03 General Authority.....	27
SECTION 8.04 No Third Party Beneficiaries.....	27
SECTION 8.05 No Personal Liability.....	28
SECTION 8.06 Severability of Invalid Provisions.....	28
SECTION 8.07 Superseding of Inconsistent Resolutions.....	28
SECTION 8.08 Effective Date.....	29

RESOLUTION NO. 958

A RESOLUTION OF THE CITY OF SATELLITE BEACH, BREVARD COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,500,000 PRINCIPAL AMOUNT OF CITY OF SATELLITE BEACH, FLORIDA UTILITY TAX REVENUE NOTE, SERIES 2015 FOR THE PURPOSE OF FINANCING A PORTION OF THE PLANNING, ACQUISITION, AND CONSTRUCTION OF VARIOUS CAPITAL PROJECTS, INCLUDING ROAD RESURFACING AND STORMWATER PROJECTS; PLEDGING UTILITY TAX REVENUES TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTE; MAKING SUCH DETERMINATIONS AS ARE REQUIRED TO AFFORD SUCH NOTE "BANK QUALIFIED" STATUS; MAKING CERTAIN COVENANTS AND AGREEMENTS FOR THE BENEFIT OF THE HOLDER OF SUCH NOTE; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE SALE, ISSUANCE AND DELIVERY OF SUCH NOTE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SATELLITE BEACH, FLORIDA, THAT:

**ARTICLE I
GENERAL**

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

"Act" shall mean the Constitution and laws of the State of Florida, Chapter 163, Part III, Florida Statutes, if applicable, Chapter 166, Florida Statutes, the municipal charter of the Issuer, Chapter 58, Article IV of the Satellite Beach Code of Ordinances, Ordinance Nos. 1102 and 1104 enacted by the Issuer and other applicable provisions of law.

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

"Additional Project" shall mean the designing, permitting, acquisition, construction, reconstruction and/or equipping of facilities and general infrastructure within the City and shall include all property rights, easements, franchises and equipment relating thereto and deemed necessary or convenient for the designing, permitting, acquisition, construction, reconstruction, equipping and/or the operation thereof which are financed, refinanced and/or reimbursed in whole or in part with the proceeds of Additional Bonds.

"Amortization Installment" shall mean an amount designated as such by Supplemental Resolution of the Issuer and established with respect to any Term Bonds.

"Annual Debt Service" shall mean, with respect to any Bond Year, the aggregate amount of (1) all interest required to be paid on the Outstanding Bonds during such Bond Year, except to the extent that such interest is to be paid from deposits in the Interest Account made from Bond proceeds, (2) all principal of Outstanding Serial Bonds maturing in such Bond Year, and (3) all Amortization Installments herein designated with respect to such Bond Year. Annual Debt Service on (i) debt that constitutes Balloon Indebtedness bearing interest at a fixed interest rate or (ii) Variable Rate Bonds that constitutes Balloon Indebtedness, shall be determined assuming it is amortized over 20 years on an approximately level annual debt service basis.

"Balloon Indebtedness" shall mean debt 25% or more of the original principal amount of which matures during any one Fiscal Year.

"Bank" means TD Bank, N.A.

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

"Bond Counsel" shall mean Bryant Miller Olive P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Year" shall mean the period commencing on October 2 and ending twelve months later on October 1, or such other dates as may be determined by the Issuer by Supplemental Resolution of the Issuer adopted prior to the issuance of the Series 2015 Note.

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

"Bonds" shall mean the Series 2015 Note, together with any Additional Bonds issued pursuant to this Resolution.

"City Manager" shall mean the City Manager of the Issuer or any assistant or deputy thereof.

"Clerk" shall mean the City Clerk or assistant or deputy City Clerk of the Issuer, or such other person as may be duly authorized by the City Council of the Issuer to act on his or her behalf.

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

"Construction Fund" shall mean the City of Satellite Beach, Florida, Utility Tax Revenue Bonds Construction Fund established pursuant to Section 4.03 hereof.

"Cost" when used in connection with a Project, shall mean (1) the Issuer's cost of design, demolition, physical construction, and/or other pre-construction costs including without limitation geotechnical testing, value engineering, surveying and permitting; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during, and if deemed advisable by the Issuer for up to one year after the end of, the construction period of such Project and for a reasonable period thereafter, if permitted by the Code; (6) architectural, design, engineering, legal and other consultant fees and expenses; (7) costs and expenses incidental to the issuance of the Bonds for up to one year, including the fees and expenses of any attorneys, financial advisors, auditors, engineers, Paying Agent, Registrar or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Bonds) incurred for such Project; (9) costs of machinery or equipment required by the Issuer for the commencement of operation of such Project; or (10) any other capitalizable costs properly attributable to such activities including without limitation professional fees and expenses, as determined by generally accepted accounting principles and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Debt Service Fund" shall mean the City of Satellite Beach, Florida, Utility Tax Revenue Bonds Debt Service Fund established pursuant to Section 4.04 hereof.

"Federal Securities" shall mean (1) cash, and/or (2) non-callable direct obligations of the United States of America.

"Financial Advisor" shall mean Public Financial Management, Inc., or such other financial advisor as may be duly appointed by the Issuer.

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

"Finance Director" shall mean the Finance Director of the Issuer, or such other person as may be duly authorized by the City Council of the Issuer to act on his or her behalf.

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

"Interest Date" shall be April 1 and October 1 of each year, or such other dates as may be determined by the Issuer by Supplemental Resolution of the Issuer.

"Issuer" shall mean the City of Satellite Beach, Florida, a municipal corporation of the State of Florida.

"Maximum Annual Debt Service" shall mean the largest amount of Annual Debt Service for any Bond Year in which Bonds shall be Outstanding, excluding all Bond Years which shall have ended prior to the Bond Year in which Maximum Annual Debt Service shall be computed.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, the maximum rate of interest such Bonds may at any time bear in the future in accordance with the terms of the Supplemental Resolution of the Issuer delineating the details of such Bonds.

"Mayor" shall mean the Mayor or Vice Mayor of the Issuer, or his or her designee. The Mayor is authorized, but is not bound, to designate the City Manager to execute certificates, agreements and all other documents in connection with the issuance of the Bonds.

"Outstanding" when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under an agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.06 and 2.08 hereof, and (3) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean any paying agent for Bonds appointed by or pursuant to a Supplemental Resolution and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to this Resolution.

"Permitted Investments" shall mean any investments authorized pursuant to the laws of the State and the Issuer's written investment policy, if any.

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

"Pledged Funds" shall mean the Pledged Revenues and until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, other than the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series and the Issuer may establish and fund a subaccount in the Reserve Account to secure only a particular Series of Bonds or issue a Series of Bonds that is not secured by the Reserve Account or any subaccount therein.

"Pledged Revenues" shall mean the Utility Tax Revenues.

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

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

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

"Registrar" shall mean any registrar for the Bonds appointed by or pursuant to a Supplemental Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to Supplemental Resolution.

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

"Reserve Account Requirement" as applicable to any Series of Bonds, shall be established by the Supplemental Resolution of the Issuer authorizing such Series.

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

"Restricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"Revenue Fund" shall mean the City of Satellite Beach, Florida Utility Tax Revenue Bonds Revenue Fund established pursuant to Section 4.04 hereof.

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

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

"Series 2015 Note" shall mean the Issuer's Utility Tax Revenue Note, Series 2015 authorized pursuant to Section 2.02 hereof, or such other name or names as shall be designated pursuant to the authorization in Section 2.02 hereof.

"Series 2015 Project" shall mean the planning, acquisition and construction of various capital projects, including road resurfacing and stormwater projects or such other improvements as approved by the City Council of the Issuer in a Supplemental Resolution in accordance with the Act.

"State" shall mean the State of Florida.

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

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

"**Taxable Bond**" shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income tax purposes or that such interest is subject to federal income taxation.

"**Term Bonds**" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installments.

"**Unrestricted Revenue Account**" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

"**Utility Tax**" shall mean such tax as levied and collected by the Issuer pursuant to the Utility Tax Ordinance, in accordance with and pursuant to Section 166.231, Florida Statutes.

"**Utility Tax Ordinance**" shall mean Chapter 58, Article IV of the City of Satellite Beach Code of Ordinances, as may be amended or supplemented from time to time, and as particularly amended by Ordinance Nos. 1102 and 1104 enacted by the Issuer, or its successor in function.

"**Utility Tax Revenues**" shall mean all revenues received by the Issuer from the levy of the Utility Tax.

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

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

Words importing the masculine gender include every other gender.

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

SECTION 1.02 Authority for Resolution. This Resolution is adopted pursuant to the provisions of the Act.

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

Findings. It is hereby ascertained, determined and declared:

(A) That the Issuer deems it necessary, desirable and in the best interests of the Issuer and its citizens, visitors, property owners and workers, and to serve a paramount public purpose, that the Series 2015 Project be completed.

(B) That all or a portion of the Series 2015 Project shall be financed, refinanced and/or reimbursed from a portion of the proceeds of the Series 2015 Note.

(C) That the purposes for which the Bonds are being issued include the promotion of the public health, general welfare, safety and social benefit to the Issuer, its citizens, visitors, property owners and workers.

(D) Debt service on the Bonds, including the Series 2015 Note, will be secured by a lien on the Pledged Funds, as provided in the Resolution.

(E) That, as of the date hereof, the Pledged Revenues are not pledged or encumbered in any manner and are estimated to be sufficient to pay the principal of and interest on the Series 2015 Note, as the same become due, and all other payments provided for in this Resolution.

(F) That the principal of and interest on the Series 2015 Note and all other payments provided for in this Resolution will be payable solely from the Pledged Funds; and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds and, except as otherwise provided herein, the Bonds shall not constitute a lien upon any property of the Issuer.

(G) The Issuer has received an offer from the Bank to purchase the Series 2015 Note.

(H) Because of the characteristics of the Series 2015 Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Series 2015 Note, it is in the best interest of the Issuer to accept the offer of the Bank to purchase the Series 2015 Note at a private negotiated sale, which was based upon a competitive selection process. Prior to the issuance of the Series 2015 Note, the Issuer shall receive from the Bank a Purchaser's Certificate, in substantially the form attached hereto as Exhibit B and a Disclosure Letter

containing the information required by Section 218.385, Florida Statutes, in substantially the form attached hereto as Exhibit C.

(I) In consideration of the purchase and acceptance of the Series 2015 Note authorized to be issued hereunder by those who shall be the Holders thereof from time to time, this Resolution shall constitute a contract between the Issuer and the Bank or any subsequent Holders.

SECTION 1.04 Authorization of the Series 2015 Project. The Issuer does hereby authorize the completion of the capital improvements which comprise the Series 2015 Project.

SECTION 1.05 Appointment of Registrar and Paying Agent for Series 2015 Note. The Finance Director is hereby appointed to serve as Registrar and Paying Agent with respect to the Series 2015 Note. The Registrar and Paying Agent shall fulfill such functions with respect to Registrar and Paying Agent until a qualified successor shall have been designated by the Issuer and accepts such duties, such designation to be subject to written notice to the Registrar and Paying Agent, or until the Series 2015 Note has been paid in full pursuant to this Resolution.

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

SECTION 2.01 Authorization of Bonds. This Resolution creates an issue of Bonds of the Issuer to be designated as "City of Satellite Beach, Florida, Utility Tax Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

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

The Bonds shall be issued in such denominations, in such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars;

shall mature in such years and amounts; shall provide that the proceeds thereof be used in such manner; (provided, however, that the issuance of Variable Rate Bonds which are Additional Bonds is subject to the provisions of Section 5.02(D) hereof); all as determined by Supplemental Resolution of the Issuer .

SECTION 2.02 Authorization and Description of Series 2015 Note. A Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate principal amount of not to exceed \$2,500,000 for the principal purposes of financing, refinancing and/or reimbursing all or a portion of the Costs of the Series 2015 Project and paying certain costs of issuance incurred with respect to such Series. Such Series shall be designated as, and shall be distinguished from the Bonds of all other Series by the title "City of Satellite Beach, Florida, Utility Tax Revenue Note, Series 2015," provided the Issuer may change such designation in the event that the total authorized amount of the Series 2015 Note is not issued as a single series and/or is not issued in calendar year 2015.

The Issuer designates the Series 2015 Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Issuer and any issuer of "tax-exempt" debt that issues "on behalf of" the Issuer do not reasonably expect during the calendar year 2015 to issue more than \$10,000,000 of "tax-exempt" obligations including the Series 2015 Note, exclusive of any private activity bonds as defined in Section 141(a) of the Code (except for qualified 501(c)(3) bonds as defined in Section 145 of the Code).

The Series 2015 Note shall be dated the date of its execution and delivery, which shall be a date agreed upon by the Issuer and the Bank, subject to the following terms:

(A) Interest Rate. The fixed interest rate on the Series 2015 Note is 2.97% (calculated on a 30/360 day count basis). Such interest rate is subject to change upon conditions set forth in the form of the Series 2015 Note attached hereto as Exhibit A.

(B) Principal and Interest Payment Dates. Interest on the Series 2015 Note shall be paid semi-annually on each April 1 and October 1, commencing October 1, 2015. Principal on the Series 2015 Note shall be paid annually beginning on October 1, 2016, with a final maturity date of October 1, 2030.

(C) Redemption of the Series 2015 Note. The Series 2015 Note shall be subject to redemption as provided in the Series 2015 Note.

(D) Form of the Series 2015 Note. The Series 2015 Note is to be in substantially the form set forth in Exhibit A attached hereto, together with such non-material changes as shall be approved by the Mayor, such approval to be conclusively evidenced by the execution thereof by the Mayor.

(E) Original Denomination. The Series 2015 Note shall originally be issued in a single denomination in an amount that does not exceed the original principal amount authorized hereunder.

(F) Most Favored Nations. The Issuer covenants and agrees for the benefit of the Bank that if additional events of default and/or remedies or additional rights relating to Utility Tax Revenues shall be granted in favor of the Holders of any Additional Bonds issued in the future, such additional events, remedies, and/or rights shall apply to the Bank if it is the Holder of the Series 2015 Note as if expressly set forth hereunder and in the Series 2015 Note.

(G) No Reserve Funding. The Series 2015 Note shall not be secured by the Reserve Account or any subaccount created thereunder. Therefore, the deposits referenced in Sections 4.05(A)(3) and 4.05(A)(4) are not applicable to the Series 2015 Note.

SECTION 2.03 Application of Series 2015 Note Proceeds. Proceeds from the sale of the Series 2015 Note shall be deposited into the Series 2015 Construction Account (hereinafter established) in the Construction Fund and used to finance the Series 2015 Project, and pay associated costs of issuance (including but not limited to legal and financial advisory fees and expenses).

The Issuer covenants and agrees to establish a special fund in the Construction Fund to be designated "City of Satellite Beach, Florida Utility Tax Revenue Note, Series 2015 Construction Account" (the "Series 2015 Construction Account"). The designation and establishment of the Series 2015 Construction Account by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain assets of the Issuer for certain purposes and to establish certain priorities for application of such assets as herein provided. Amounts on deposit from time to time in the Series 2015 Construction Account, plus any earnings thereon, except for any accrued but unpaid Costs of the Series 2015 Project, are pledged to the repayment of the Series 2015 Note.

SECTION 2.04 Execution of Bonds. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon and attested with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds, or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although, at the date of such Bond, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such

offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.05 Authentication. No Bond of any Series shall be secured hereunder or be entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution.

SECTION 2.06 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

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

SECTION 2.07 Transfer. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series, maturity of any other authorized denominations and type.

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

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

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

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds pursuant to Section 2.04 hereof for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be canceled by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the fifteen days next preceding an Interest Date on the Bonds of such Series (other than Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

SECTION 2.08 Registration and Exchange of the Series 2015 Note; Persons treated as Holder. The Series 2015 Note is initially registered to the Bank, as the original purchaser of the Series 2015 Note. So long as the Series 2015 Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Series 2015 Note. The Series 2015 Note shall be transferable only upon such registration books. Notwithstanding anything herein to the contrary, the Bank may in the future make transfers or enter into participation agreements or securitization transactions with respect to the Series 2015 Note; provided, however, the Series 2015 Note must be in minimum denominations of \$100,000 upon any such transaction.

The Person in whose name the Series 2015 Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on such Series 2015 Note shall be made only to or upon the written order of the Series 2015 Note Holder. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2015 Note to the extent of the sum or sums so paid.

SECTION 2.09 Form of Bonds. The text of any Series of Bonds shall be provided by Supplemental Resolution of the Issuer authorizing the issuance of such Series.

ARTICLE III REDEMPTION OF BONDS

SECTION 3.01 Redemption. All terms and provisions relating to redemption of Bonds shall be provided by the Supplemental Resolution authorizing the issuance of such Series of Bonds. The Terms and provisions relating to the redemption of the Series 2015 Note shall be as provided in the Series 2015 Note.

ARTICLE IV SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01 Bonds not to be Indebtedness of Issuer. THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE ISSUER EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED HEREIN.

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

SECTION 4.02 Security for Bonds. The payment of the principal of, Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof.

SECTION 4.03 Construction Fund. The Issuer covenants and agrees to establish a separate fund in a bank or trust company in the State, which is eligible under the laws of such State to receive funds of the Issuer, to be known as the "City of Satellite Beach, Florida Utility Tax Revenue Bonds Construction Fund" (the "Construction Fund") which shall be used only for payment of the Cost of a Project. The Issuer shall establish an account for each Series of Bonds in a Supplemental Resolution adopted before the issuance of each such Series. Moneys in the Construction Fund which derive from a particular Series of Bonds, until applied in payment of any item of the Cost of a Project, in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of such Series of Bonds and for the further security of such Holders.

SECTION 4.04 Funds and Accounts. The Issuer covenants and agrees to establish with a bank or trust company in the State of Florida, which is eligible under the laws of such State to receive funds of the Issuer, separate funds to be known as the "City of Satellite Beach, Florida Utility Tax Revenue Bonds Revenue Fund" (the "Revenue Fund") and the "City of Satellite Beach, Florida Utility Tax Revenue Bonds Debt Service Fund" (the "Debt Service Fund"). The Issuer shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The Issuer shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Unrestricted Revenue Account, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

The Issuer shall at any time and from time to time appoint one or more qualified depositories to hold, for the benefit of the Bondholders, any one or more of the funds and accounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agents and employees.

SECTION 4.05 Flow of Funds.

(A) Beginning on the date the Series 2015 Note is issued, the Issuer shall deposit the Pledged Revenues (only to the extent a sufficient amount is not already on deposit from other

legally available revenue sources of the Issuer in amounts sufficient to satisfy all payment obligations hereunder), into the Restricted Revenue Account promptly upon receipt thereof. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 21st day of each month, commencing with the month in which delivery of the Series 2015 Note shall be made to the purchaser or purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

1. Interest Account. The Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date.

2. Principal Account. Next, the Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts on all Outstanding Bonds due and unpaid and that portion of the principal next due within one year which would have accrued on said Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months of thirty days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of the Bonds as and when the same shall mature, and for no other purpose. The Issuer shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date.

3. Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, the Issuer shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months having thirty days each) in equal amounts from the next preceding Amortization Installment due date, or, if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein

provided, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Bond Amortization Account not later than the 21st month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

4. Reserve Account. Next, the Issuer shall deposit into or credit to the Reserve Account and/or any subaccount hereafter created therein a sum sufficient to maintain therein an amount equal to the applicable Reserve Account Requirement. Moneys in the Reserve Account (or any subaccount therein) shall be used only for the purpose of the payment of maturing principal, interest or Amortization Installments on the Bonds which are secured thereby when the other moneys in the Debt Service Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account (or any subaccount therein) exceed the applicable Reserve Account Requirement, such excess shall be withdrawn and deposited into the Interest Account.

Upon the issuance of any Additional Bonds under the terms, limitations and conditions as herein provided, the Issuer may, on the date of delivery of such Additional Bonds, create and establish a separate subaccount in the Reserve Account to secure such Series of Bonds, and shall also establish an applicable Reserve Account Requirement.

Notwithstanding the foregoing provisions, in lieu of the required cash deposits into the Reserve Account (or any subaccounts therein), the Issuer may, at any time, cause to be deposited into the Reserve Account (or any subaccounts therein) a surety bond, irrevocable letter of credit, guaranty or an insurance policy for the benefit of the applicable Bondholders in an amount equal to the difference between the applicable Reserve Account Requirement and the sums then on deposit in the Reserve Account and/or subaccount therein. Such surety bond, irrevocable letter of credit, guaranty or insurance policy shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose. Repayment of draws made from a surety bond, irrevocable letter of credit, guaranty or an insurance policy provided pursuant to this paragraph, shall be made in accordance with a Supplemental Resolution.

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

5. Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.05(A)(1) through 4.05(A)(4) hereof may be transferred, at the discretion of the Issuer, to the Unrestricted Revenue Account or to any other appropriate fund or account of the Issuer and be used for any lawful purpose.

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

(C) At least one business day prior to the date established for payment of any principal or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

SECTION 4.06 Investments. The Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State and the investment policy of the Issuer. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund may be invested and reinvested in Permitted Investments maturing no later than the date on which the moneys therein will be needed. Any and all income received by the Issuer from the investment of moneys in each account of the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Reserve Account or any subaccounts therein (but only to the extent that the amount therein is less than the applicable Reserve Account Requirement) and the Restricted Revenue Account shall be retained in such respective Fund or Account unless otherwise required by applicable law. To the extent that the amount in the Reserve Account or any subaccounts therein is equal to or greater than the applicable Reserve Account Requirement, any and all income received by the Issuer from the investment of moneys therein shall be transferred, upon receipt, and deposited into the Interest Account.

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

SECTION 4.07 Separate Accounts. The moneys required to be accounted for in each of the foregoing funds and accounts established herein may be deposited in a single bank account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

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

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

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

SECTION 5.02 Issuance of Additional Bonds. This Section 5.02 does not apply to the issuance of the Series 2015 Note, notwithstanding anything herein to the contrary.

No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing, refinancing and/or reimbursing the Cost of an Additional Project, or the completion thereof or of the Series 2015 Project of the Issuer, or refinancing Subordinate Indebtedness.

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

(A) There shall have been obtained and filed with the Issuer a statement of the City Manager (1) setting forth the amount of the Pledged Revenues which have been received by the Issuer during the most recent Fiscal Year for which audited financial statements are available; and (2) stating that the amount of the Pledged Revenues received during the aforementioned twelve month period equaled at least 1.25 times the Maximum Annual Debt Service of all Bonds then Outstanding including such proposed Additional Bonds with respect to which such statement is made (together with Policy Costs). "Policy Costs" means any repayment or payment

obligations due and owing in connection with on any surety bond on deposit in the Reserve Account. In the event the Act is amended to provide for additional Pledged Revenues to be distributed to the Issuer, the Issuer may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage tests specified in this Section 5.02(A), have the City Manager assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

For the purposes of the covenants contained in this Section 5.02, Annual Debt Service with respect to Variable Rate Bonds shall be determined assuming that such obligations bear interest at the higher of 6.00% per annum or the actual interest rate borne during the month immediately preceding the date of calculation. The foregoing notwithstanding, for purposes of calculating Annual Debt Service, any Variable Rate Bonds with respect to which the Issuer has entered into an interest rate swap or interest rate cap for a notional amount equal to the principal amount of such variable rate indebtedness shall be treated for purposes of this Section 5.02 as bearing interest at a fixed rate equal to the fixed rate payable by the Issuer under the interest rate swap, or the capped rate provided by the interest rate cap.

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

(C) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of this Section 5.02 shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of Annual Debt Service on the Outstanding Bonds becoming due in the current Bond Year or in any subsequent Bond Years. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

SECTION 5.03 Bond Anticipation Notes. Subject to Sections 5.01 or 5.02 hereof, the Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by Resolution of the Issuer.

SECTION 5.04 Books and Records. The Issuer will keep books and records of the receipt of the Pledged Revenues in accordance with generally accepted accounting principles, and any Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.05 Annual Audit. The Issuer shall, within a reasonable amount of time after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenditures and changes in fund balance, and any other statements as required by law or accounting convention. The annual financial statements shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to any Holder of a Bond who shall have furnished such Holder's address to the Finance Director and requested in writing that the same be furnished to such Holder. The Issuer shall be permitted to make a reasonable charge for furnishing such audited financial statements.

SECTION 5.06 No Impairment. As long as there are Bonds Outstanding hereunder, the pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Council of the Issuer.

SECTION 5.07 Collection of Pledged Revenues. The Issuer covenants to do all things necessary on its part to continue the receipt of the Pledged Revenues in compliance with the Act and any successor provision of law governing the same. The Issuer will proceed diligently to perform legally and effectively all steps required on its part to receive the Pledged Revenues and shall exercise all legally available remedies to enforce such collections now or hereafter available under State law.

SECTION 5.08 Federal Income Tax Covenants; Taxable Bonds.

(A) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes.

(B) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(C) The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the such Bonds from the gross income of the Holder thereof for federal

income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

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

SECTION 5.09 Financial Information.

While the Series 2015 Note remains Outstanding, the Issuer covenants and agrees to provide the Holder thereof the following items in an electronic format acceptable to the Holder of the Series 2015 Note:

1. Annual, audited financial statements of the Issuer within 210 days after the end of the Issuer's fiscal year;
2. Annual Budget of the Issuer within 60 days after its adoption.
3. Additional information as reasonably requested by such Holder to supplement or verify certain financial assumptions or verify the creditworthiness of the Issuer.

ARTICLE VI DEFAULTS AND REMEDIES

SECTION 6.01 Events of Default. The following events shall each constitute an "Event of Default:"

(A) The Issuer shall fail to make a payment of the principal of, Amortization Installment, redemption premium or interest on any Bond when such payment becomes due.

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

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, 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 curative action and diligently pursues such action until the default has been corrected.

In addition to the foregoing, for so long as the Series 2015 Note is Outstanding, the following event shall constitute an Event of Default with respect to the Series 2015 Note: In any Fiscal Year, based on such Fiscal Year's audited financial statements, Pledged Revenues shall fall below 1.25 times the Annual Debt Service with respect to the Series 2015 Note for such Fiscal Year and such failure has not been cured by the Issuer within forty-five (45) days following the adoption by the Issuer of its audited financial statements.

SECTION 6.02 Remedies. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof. In the Event of Default by the Issuer, the Holder, trustee and/or receiver, as the case may be, shall be entitled to reasonable attorney fees and costs.

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

Acceleration is a remedy only in the event of a default pursuant to Section 6.01(A) above and in no other event.

SECTION 6.03 Directions to Trustee as to Remedial Proceedings. The Holders of a majority in principal amount of the Bonds then Outstanding have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

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

SECTION 6.05 Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06 Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of collection, including attorney's fees, and fees and costs of any Holder, trustee or receiver, Registrar and Paying Agent hereunder; and

(B) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

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

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or as Amortization Installments upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the

amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

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

ARTICLE VII SUPPLEMENTAL RESOLUTIONS

SECTION 7.01 Supplemental Resolutions without Bondholders' Consent.

The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolutions shall thereafter form a part hereof) for any of the following purposes:

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

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

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

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

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

(F) To change or modify the description of the Series Project or any Additional Project.

(G) To make any other change that, in the reasonable opinion of the Issuer, would not materially adversely affect the security for the Bonds.

SECTION 7.02 Supplemental Resolutions with Bondholders' Consent. Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then

Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of other than the lien and pledge created by this Resolution which adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

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

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

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

propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

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

ARTICLE VIII MISCELLANEOUS

SECTION 8.01 Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders of all Bonds, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

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

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or specified Federal Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Federal Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 9.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Federal Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

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

SECTION 8.02 Sale of Bonds. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law and as shall be approved by Supplemental Resolution of the Issuer.

SECTION 8.03 General Authority. The members of the City Council of the Issuer and the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 8.04 No Third Party Beneficiaries. Except such other Persons as may be expressly described herein or in the Bonds, nothing in this Resolution or in the Bonds, expressed or implied, is intended or shall be construed to confer upon any Person, other than the Issuer and the Holders, any right, remedy or claim, legal or equitable, under and by reason

of this Resolution or any provision hereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Persons who shall from time to time be the Holders.

SECTION 8.05 No Personal Liability. Neither the members of the City Council of the Issuer, any employees of the Issuer, nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 8.06 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 8.07 Superseding of Inconsistent Resolutions. This Resolution supersedes all prior action of City Council inconsistent herewith. All resolutions or parts thereof in conflict herewith are hereby superseded to the extent of such conflict.

[Remainder of page intentionally left blank]

SECTION 8.08 Effective Date. This Resolution shall become effective immediately upon its adoption.

Adopted at a regular session of the City Council held on the 20th day of August, 2015.

DOMINICK MONTANARO, VICE MAYOR

LEONOR OLEXA, CMC, CITY CLERK

EXHIBIT A

[FORM OF SERIES 2015 NOTE]

No. R-1

\$2,500,000

CITY OF SATELLITE BEACH, FLORIDA
UTILITY TAX REVENUE NOTE, SERIES 2015

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
2.97% (subject to adjustment as provided herein)	October 1, 2030	August 21, 2015

Registered Holder: TD BANK, N.A.

Principal Amount: TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Satellite Beach, Florida, a municipality created and existing under and by virtue of the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above on October 1 in the years and amounts identified below and interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on April 1 and October 1 of each year commencing October 1, 2015, until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Note shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

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

paid by auto debit, unless otherwise directed by the Registered Holder. In the event interest payable on this Note is not punctually paid or duly provided for by the Issuer on such interest payment date, payment of each installment of such defaulted interest shall be made to the person in whose name this Note shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten days preceding such special record date.

This Note has been authorized to finance, refinance and/or reimburse the Cost of the Series 2015 Project, under the authority of and in full compliance with the Constitution and laws of the State of Florida, Chapter 163, Part III, Florida Statutes, if applicable, Chapter 166, Florida Statutes, the municipal charter of the Issuer, Chapter 58, Article IV of the City of Satellite Beach Code of Ordinances, as amended from time to time, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 958 duly adopted by the City Council of the Issuer on August 20, 2015, as may be amended and supplemented from time to time (the "Resolution"), and is subject to the terms and conditions of the Resolution. Capitalized undefined terms used herein shall have the meaning ascribed thereto in the Resolution.

This Note and the interest thereon are payable solely from and secured by a lien upon and a pledge of Utility Tax Revenues, and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds"), on parity and equal status with any Additional Bonds to be issued by the Issuer pursuant to and in accordance with the Resolution.

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS NOTE THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THIS NOTE AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PREMIUM, IF ANY, OR INTEREST. THIS NOTE AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER OTHER THAN THE PLEDGED FUNDS, AND SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT DESCRIBED IN THE RESOLUTION.

The Interest Rate payable on this Note shall be subject to adjustment in accordance with the following provisions:

"Default Rate" shall mean a rate per annum equal to the Prime Rate plus 6%.

"Determination of Taxability" means a final decree or judgment of any Federal court or a final action of the Internal Revenue Service or of the United States Treasury Department

25766/002/01034859.DOCv8

determining that interest payable on this Note is includable in the gross income of the Registered Holder for Federal income tax purposes and/or is no longer a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, but only if caused by action or inaction by the Issuer. No such decree, judgment, or action will be considered final for this purpose unless the Issuer has been given written notice thereof and, if it is so desired by the Issuer and is legally permissible, the Issuer has been afforded the opportunity to contest the same, at its own expense, either directly or in the name of the Registered Holder, and until the conclusion of any appellate review, if sought.

"Event of Default" shall mean an Event of Default under the Resolution.

"Prime Rate" shall mean the per annum rate which TD Bank, N.A. announces from time to time to be its prime rate, as in effect from time to time. The prime rate is a reference or benchmark rate, is purely discretionary and does not necessarily represent the lowest or best rate charged to borrowing customers. TD Bank, N.A. may make commercial loans or other loans at rates of interest at, above or below the prime rate. Each change in the prime rate shall be effective from and including the date such change is announced as being effective.

"Taxable Period" shall mean the period of time commencing on the date that interest on this Note ceased to be excludable from gross income of the Registered Holder for federal income tax purposes and ending on the earlier of the date this Note ceases to be Outstanding or the date an adjustment to the Taxable Rate is no longer applicable to this Note.

"Taxable Rate" shall mean, upon a Determination of Taxability, the interest rate per annum that shall provide the Registered Holder with the same after tax yield that the Registered Holder would have otherwise received had the Determination of Taxability not occurred, taking into account the increased taxable income of the Registered Holder as a result of such Determination of Taxability. The Registered Holder shall provide the Issuer with a written statement explaining the calculation of the Taxable Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Issuer.

In the event of a Determination of Taxability, the Interest Rate payable hereunder shall be subject to adjustment to the Taxable Rate, effective retroactively to the date on which such Determination of Taxability was made. In addition, upon a Determination of Taxability, the Issuer agrees to pay to the Registered Holder subject to such Determination of Taxability the Additional Amount upon demand. "Additional Amount" means (i) the difference between (a) interest on this Note for the Taxable Period at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest paid on this Note for the Taxable Period under the provisions of this Note without considering the Determination of Taxability, plus (ii) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Registered Holder as a result of the Determination of Taxability.

The Issuer shall pay interest upon the unpaid principal balance of this Note at the Interest Rate, subject to adjustment as provided herein. Upon a Determination of Taxability, the Interest Rate shall be the Taxable Rate as herein provided and/or upon and during the continuance of an Event of Default (notwithstanding that a Determination of Taxability has also occurred) the Interest Rate shall be the Default Rate. It is possible that more than one adjustment described above may be in effect concurrently.

Principal on this Note shall amortize on October 1 of the following years:

<u>Year</u>	<u>Principal</u>
2016	\$135,000
2017	139,000
2018	143,000
2019	147,000
2020	151,000
2021	156,000
2022	161,000
2023	165,000
2024	170,000
2025	175,000
2026	181,000
2027	186,000
2028	191,000
2029	197,000
2030	203,000

This Note is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this Note together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new Note in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. This Note is issuable in the form of a fully registered Note in a single denomination in an amount of \$2,500,000. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Note as the absolute owner hereof for all purposes, whether or not this Note shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of the Note during the fifteen days next preceding an interest payment date, or in the case of any proposed redemption of this Note, then, during the fifteen days next preceding the date of the first mailing of notice of such redemption.

This Note shall be subject to redemption in whole or in part prior to its Maturity Date, upon two Business Days prior written notice, on any Business Day, at a redemption price equal to the principal amount being redeemed together with interest accrued to the date of redemption. Prepayments of principal shall be applied against the scheduled payments of principal hereunder in the inverse order of their due dates.

This Note may be exchanged or transferred by the Registered Holder hereof but only upon the registration books maintained by the Issuer and in the manner provided in the Resolution; provided, however, this Note may not be transferred in a denomination less than \$100,000 under any circumstances.

In addition, from the date 15 days after any payment default hereunder or under the Resolution, a late charge of 6% of the overdue payment shall be assessed.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Note, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Note does not violate any constitutional or statutory limitations or provisions.

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

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Satellite Beach, Florida has issued this Note and has caused the same to be executed by the manual signature of the Vice Mayor, attested by the manual signature of its City Clerk, and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the 21st day of August, 2015.

CITY OF SATELLITE BEACH, FLORIDA

(SEAL)

Vice Mayor

ATTESTED:

City Clerk

CERTIFICATE OF AUTHENTICATION

This Note is issued as described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Finance Director, Registrar

ASSIGNMENT

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

[Insert Name, Address, Social Security or Other Identifying Number of Assignee]

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

Dated: _____

Signature Guaranteed:

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

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

must be supplied.

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

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

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

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

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

EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

This is to certify that TD Bank, N.A. (the "Purchaser") has not required the City of Satellite Beach, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Issuer in connection with the issuance of the \$2,500,000 City of Satellite Beach, Florida Utility Tax Revenue Note, Series 2015 (the "Series 2015 Note"), and no inference should be drawn that the Purchaser, in the acceptance of said Series 2015 Note, is relying on Bond Counsel or Issuer's Counsel as to any such matters other than the legal opinion rendered by Bond Counsel, Bryant Miller Olive P.A. and by Issuer's Counsel, Spira, Beadle & McGarrell, P.A. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 958 adopted by the City Council of the Issuer on August 20, 2015, as amended and supplemented from time to time (the "Resolution").

We are aware that investment in the Series 2015 Note involves various risks, that the Series 2015 Note is not a general obligation of the Issuer or payable from ad valorem tax revenues, and that the payment of the Series 2015 Note is secured solely from the sources and in the manner described in the Resolution (the "Note Security").

We have made such independent investigation of the Note Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us by the Issuer.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2015 Note and can bear the economic risk of our investment in the Series 2015 Note.

We acknowledge and understand that the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Issuer, Bond Counsel nor Issuer's Counsel shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are purchasing the Series 2015 Note as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Series 2015 Note may not be transferred in a denomination less than \$100,000 in any circumstances.

We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2015 Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are a national bank under the laws of the United States.

DATED this 21st of August, 2015.

TD BANK, N.A.

By: _____

Name: Jim Hanning

Title: Vice President

EXHIBIT C

FORM OF DISCLOSURE LETTER

Following a competitive selection process, the undersigned, as purchaser, proposes to negotiate with the City of Satellite Beach, Florida (the "Issuer") for the private purchase of its City of Satellite Beach, Florida Utility Tax Revenue Note, Series 2015 (the "Series 2015 Note") in the principal amount of \$2,500,000. Prior to the award of the Series 2015 Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Bank") in connection with the issuance of the Series 2015 Note (such fees and expenses to be paid by the Issuer):

Winderweedle, Hanes, Ward & Woodman, P.A.
Bank's Counsel
\$5,000

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Series 2015 Note to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Bank, as set forth in paragraph (1) above:

None

(b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2015 Note.

3. The amount of the underwriting spread expected to be realized by the Bank is \$0.

4. The management fee to be charged by the Bank is \$0.

5. Truth-in-Bonding Statement:

The Series 2015 Note is being issued primarily to finance a portion of the costs of the planning, acquisition and construction of various capital projects, including road resurfacing and stormwater projects.

The Series 2015 Note is expected to be repaid by October 1, 2030. At an interest rate of 2.97%, total interest paid over the life of the Series 2015 Note is estimated to be \$642,552.90.

The Series 2015 Note will be payable solely from amounts pledged and described in Resolution No. 958 of the Issuer adopted on August 20, 2015, as amended and supplemented from time to time (the "Resolution"). Issuance of the Series 2015 Note is estimated to result in an annual average of approximately \$207,963.06 of Utility Tax Revenues (as defined in the Resolution) of the Issuer not being available to finance the services of the Issuer during the life of the Series 2015 Note.

6. The name and address of the Bank is as follows:

TD Bank, N.A.
1560 N Orange Ave, Ste. 300
Winter Park, Florida, 32789

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Bank this 21st day of August, 2015.

TD BANK, N.A.

By: _____
Name: Jim Hanning
Title: Vice President