

**\$31,500,000 CITY OF DELRAY BEACH, FLORIDA,
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2017**

TRANSCRIPT OF PROCEEDINGS

The pre-closing was held on Thursday, June 22, 2017, at 11:30 a.m. at Delray Beach City Hall, 100 NW 1st Avenue, Delray Beach, Florida 33444. The closing and transfer of funds was accomplished by wire transfer at approximately 10:00 a.m. on Friday, June 23, 2017.

A. PARTIES TO THE TRANSACTION:

Issuer: CITY OF DELRAY BEACH, FLORIDA

Mayor – CARY D. GLICKSTEIN
Vice-Mayor – JIM CHARD
Deputy Vice-Mayor – SHIRLEY JOHNSON
Commissioner – MITCH KATZ
Commissioner – SHELLY PETROLIA

Interim City Manager - NEAL DE JESUS
City Clerk – KATERRI JOHNSON
Acting City Finance Director – LAURA THEZINE
City Attorney- R. MAX LOHMAN
Financial Advisors- PFM FINANCIAL ADVISORS LLC
Purchaser of the Bonds- BANC OF AMERICA PREFERRED FUNDING CORPORATION
Bond Counsel - GREENSPOON MARDER, P.A.
Counsel to the Purchaser- MARK E. RAYMOND, ESQ.

B. DOCUMENTS:

1. Certified copy of Resolution No. R-76-99 authorizing issuance of Bonds
2. Certified copy of Resolution No. R-47-17 authorizing issuance of Series 2017 Bonds
3. Copy of Series 2017 Bond
4. Issuer's Certificate
5. Federal Tax Certificate
6. Cross Receipt
7. Certificate of Acting Finance Director
8. Certificate of Financial Advisor
9. IRS Form 8038-G
10. Notice of Sale
11. State of Florida Division of Bond Finance Form BF-2003/ BF-2004-B
12. Investment Banking Letter
13. Negotiated Sale Disclosure Statement
14. Opinion of the City Attorney
15. Opinion of Bond Counsel
16. Closing Memorandum.

CLERK'S CERTIFICATE

I, KATERRI JOHNSON, the undersigned Clerk of the City of Delray Beach, Florida (the "Issuer"), do hereby certify that attached hereto are true and correct copies of the following:

1. Resolution No. R-76-99 of the Issuer duly adopted December 14, 1999; and
2. Resolution No. R-47-17 of the Issuer duly adopted June 20, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 23rd day of June, 2017.



Katerri Johnson, City Clerk
City of Delray Beach, Florida

[SEAL]

R-76-99

CITY OF DELRAY BEACH, FLORIDA

REVENUE BONDS

BOND RESOLUTION

Adopted December 14, 1999

Res. No. 76-99

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RESOLUTION NO. R-76-99

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AUTHORIZING THE ISSUANCE, FROM TIME TO TIME, OF REVENUE BONDS WITHOUT LIMIT AS TO PRINCIPAL AMOUNT EXCEPT AS PROVIDED IN THIS RESOLUTION FOR THE PURPOSE OF FINANCING AND REFINANCING CERTAIN CAPITAL PROJECTS; AND TO REIMBURSE THE CITY FOR PRIOR EXPENDITURES MADE IN CONNECTION WITH CERTAIN CAPITAL PROJECTS; PROVIDING, WHEN APPLICABLE, FOR THE UNDERTAKING BY THE CITY REQUIRED BY RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION; PROVIDING FOR THE TERMS AND PAYMENT OF SUCH BONDS; PROVIDING FOR THE RIGHTS, SECURITY AND REMEDIES OF THE OWNERS THEREOF; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City") is authorized under Florida law to borrow money to finance and refinance various capital projects; and

WHEREAS, the City Commission of the City of Delray Beach, Florida, the governing body of the City (herein, the "Commission") hereby deems it necessary and in the best economic interest of the City to finance and refinance certain capital projects and to seek reimbursement, pursuant to the requirements of the Internal Revenue Code of 1986, as amended, for certain capital expenditures made to finance certain capital projects, by the issuance of revenue bonds (the "Bonds"), from time to time, pursuant to the terms and provisions of this Resolution; and

WHEREAS, effective July 3, 1995, Rule 15c2-12 of the Securities and Exchange Commission (herein, the "Rule") provides that it is unlawful for a broker dealer or municipal securities dealer to purchase or sell municipal securities, which includes certain of the Bonds proposed to be issued pursuant to the terms and provisions of this Resolution, unless the

issuer, which includes the City, has undertaken in a written agreement (herein, the "Undertaking") to provide to specified information repositories annual financial information and operating data relevant to the municipal securities and notice of certain specified material events; and

WHEREAS, the Commission hereby determines to provide its Undertaking with respect to such Bonds in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AS FOLLOWS:

ARTICLE I

DEFINITIONS, FINDINGS AND STATUTORY AUTHORITY

Section 1. DEFINITIONS. In addition to the terms heretofore defined in the recitals set forth above, the following terms shall have the following meanings:

"ACCREDITED VALUE" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation Bond plus, with respect to matters related to the payment upon redemption or other payment of such Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months.

"ACT" shall mean the Constitution of the State of Florida, Chapter 166, Florida Statutes, as amended and supplemented, the City Charter of the City, as amended and supplemented and other applicable provisions of law.

"APPRECIATED VALUE" shall mean, (i) as of any date of computation with respect to any Capital Appreciation and Income Bonds up to the Interest Commencement Date set forth in the resolution of the City providing for the issuance of such Bonds, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation and Income Bonds plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the

Immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

"BENEFICIAL OWNER" shall mean, except with respect to Section 4.1 of Article III of this Resolution, during any period the Bonds are registered under the Book-Entry System, any purchaser of a Bond and others who acquire a beneficial ownership interest in a Bond held by the Securities Depository. In determining the Beneficial Owner of any Bond, the City, the Paying Agent, the Registrar and the Bond Insurer, if any, may rely exclusively upon written representations made, and information given to the City, the Paying Agent, the Registrar or the Bond Insurer, if any, by the Securities Depository or its Participants with respect to any Bond held by the Securities Depository in which a beneficial ownership interest is claimed. With respect to Replacement Bonds, the City, the Paying Agent, the Registrar and the Bond Insurer, if any, shall consider the owner of any such Replacement Bond as registered on the registration books of the City maintained by the Registrar to be the Beneficial Owner thereof.

"BENEFICIAL OWNER" shall mean, for purposes of Article III, Section 4.1 of this Resolution only, any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

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

"BOND INSURANCE POLICY" shall mean an insurance policy issued for the benefit of the Holders of any Bonds, pursuant to which the Bond Insurer shall be obligated to pay when due the principal of and interest on such Bonds to the extent of any deficiency in the amounts in the funds and accounts held under this Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

"BOND INSURER" shall mean the issuer of a Bond Insurance Policy and its successors.

"BONDHOLDER," "HOLDER OF BONDS," "OWNER" OR "OWNERS" or any similar term, shall mean any person who shall be the registered owner of any Bond or Bonds Outstanding under the terms of this Resolution.

"BONDS" shall mean, except as otherwise provided in this Resolution, any bonds, notes or other evidences of indebtedness authorized to be issued pursuant to the terms and provisions of this Resolution.

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

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the State of Florida are authorized by law to close.

"CAPITAL APPRECIATION BONDS" shall mean those Bonds issued under this Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date therefor, all as so designated by subsequent proceedings of the Commission relating to the issuance thereof, and which may be either Serial Bonds or Term Bonds.

"CAPITAL APPRECIATION AND INCOME BONDS" shall mean any Bonds issued under this Resolution as to which accruing interest is not paid prior to the Interest Commencement Date specified in the resolution authorizing such Bonds and the Appreciated Value for such

Bonds is compounded periodically on certain designated dates prior to the Interest Commencement Date for such series of Capital Appreciation and Income Bonds, all as so designated by subsequent proceedings of the Commission relating to the issuance thereof, and which may be either Serial Bonds or Term Bonds.

"CITY" shall mean the City of Delray Beach, Florida and its permitted successors and assigns.

"CLERK" shall mean the City Clerk, or such person who is authorized to act on behalf of the City Clerk.

"CODE" shall mean the Internal Revenue Code of 1986, as amended, and all subsequent tax legislation duly enacted by the Congress of the United States. Each reference to a section of the Code herein shall be deemed to include, if applicable, temporary or proposed regulations, revenue rulings and proclamations issued or amended with respect thereto.

"COMMISSION" shall mean the City Commission of the City of Delray Beach, Florida, serving as the governing body of the City.

"CREDIT FACILITY" shall mean a Bond Insurance Policy, a surety bond, a letter of credit, line of credit, guaranty or such other instrument that would enhance the credit of the Bonds. The term "Credit Facility" shall not mean a Reserve Account Credit Facility Substitute.

"CREDIT FACILITY ISSUER" shall mean a Bond Insurer or any other issuer of a Credit Facility, as applicable.

"DEBT SERVICE RESERVE REQUIREMENT" shall mean, to the extent applicable to a series of Bonds as determined by subsequent proceedings of the Commission, an amount equal to the lesser of (i) the maximum amount of principal of and interest on the Bonds becoming due in the current Fiscal Year or in any succeeding Fiscal Year, (ii) one hundred twenty-five percent (125%) of the average annual amount of principal of and interest on the Bonds becoming due in the current Fiscal Year or in any succeeding Fiscal Year or (iii) ten

percent (10%) of the proceeds of the Bonds (within the meaning of the Code) required to be maintained in the Reserve Account of the Debt Service Fund created and established under this Resolution. Such Debt Service Reserve Requirement may be satisfied, in whole or in part, by obtaining a Reserve Account Credit Facility Substitute with the requisite coverage.

"DEFEASANCE OBLIGATIONS" shall mean to the extent permitted by law and (other than with respect to the obligations described in clause (a) below) acceptable, at the time of defeasance, to the Credit Facility Issuer if the principal of and interest on the defeased Bonds is secured by a Credit Facility and such Credit Facility Issuer is not in default under such Credit Facility or, if not so secured by a Credit Facility, acceptable, at the time of defeasance, to the Rating Agencies or Agencies, if any, then rating the defeased Bonds:

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

described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate; and

(c) Evidences of ownership of proportionate interests in future interest and/or principal payments on obligations described in clause (a) held by a bank or trust company as custodian.

"FISCAL YEAR" shall mean that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law as the fiscal year of the City.

"FITCH" shall mean Fitch IBCA, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "FITCH" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

"INTEREST COMMENCEMENT DATE" shall mean, with respect to any particular Capital Appreciation and Income Bond, the date specified in the resolution providing for the issuance of such Bonds (which date must be prior to the maturity date for such Bonds) after which interest accruing on such Bonds shall be payable semi-annually (or at such other times as the Commission shall determine by subsequent proceedings), with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

"INTEREST PAYMENT DATE" shall mean such dates of each Fiscal Year on which interest and/or principal are payable on the Bonds (other than Capital Appreciation Bonds and Capital Appreciation and Income Bonds prior to the applicable Interest Commencement Date) that are then Outstanding.

"MAXIMUM INTEREST RATE" shall mean, with respect to Variable Rate Bonds, issued pursuant to the terms and provisions of this Resolution, the maximum rate of interest such Bonds may bear at any particular time, which rate shall not exceed the rate of interest allowed under State law.

"MOODY'S" shall mean Moody's Investors Service, inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

"NON-AD VALOREM REVENUES" shall mean all revenues of the City derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment of debt service by the City.

"NRMSIR" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The NRMSIRs currently approved by the Securities and Exchange Commission as of the date of adoption of this Resolution are as follows:

Bloomberg Municipal Repository
Post Office Box 840
Princeton, New Jersey 08542-0840
Internet address: MUNIS@bloomberg.doc
Telephone: (609) 279-3200
Fax: (609) 279-5962
Email: munis@bloomberg.com

Kenny Information Services
The Repository
65 Broadway, 16th Floor
New York, New York 10006
Attn: Kenny Repository Service
Telephone: (212) 770-4595
Fax: (212) 797-7994

Thomas NRMSIR
395 Hudson Street, 3rd Floor
New York, NY 10014
Attn.: Municipal Disclosure
Telephone: (800) 689-8466
Fax: (212) 989-2078
Email: Disclosure@muller.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Telephone: (201) 346-0701
Fax: (201) 947-0107
Email: NRMSIR@dpcdata.com

"OUTSTANDING" shall mean, when used with reference to the Bonds, as of any particular date, all Bonds theretofore, or thereupon being, authenticated and delivered by the Registrar under this Resolution, except (i) Bonds theretofore or thereupon canceled by the Registrar or surrendered to the Registrar for cancellation; (ii) Bonds with respect to which all liability of the City shall have been discharged in accordance with Article III, Section 4.H of this Resolution; (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to any provision of this Resolution; (iv) Bonds canceled after purchase in the open market or because of payment at redemption prior to maturity; and (v) Bonds held or purchased by the City, unless the City intends as evidenced by written communication to the Registrar that such Bonds shall remain Outstanding.

"PARTICIPANTS" shall mean brokers, dealers, banks and other financial institutions and other persons for whom, from time to time, the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"PAYING AGENT" shall mean either the Finance Department of the City as determined by subsequent proceedings of the Commission to be applicable to a series of Bonds or any bank or trust company and any successor bank or trust company appointed by subsequent proceedings of the Commission to act as Paying Agent hereunder.

"PERMITTED INVESTMENTS" shall mean (i) U.S. Obligations and (ii) all other investments permitted under the laws of Florida and if required as a condition of obtaining a Credit Facility, acceptable to the Credit Facility Issuer.

"PLEGGED REVENUES" shall mean (i) the Non-Ad Valorem Revenues deposited in the Debt Service Fund created and established under this Resolution, (ii) investment income received from the investment of moneys in the Debt Service Fund and accounts established hereunder, other than the escrow deposit trust fund established under any escrow deposit agreement, and (iii) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with the repayment of the Bonds.

"PROJECTS" shall mean any capital project that the City is authorized to finance under Florida law. The term "Projects" also includes any prior capital expenditures made with respect to municipal capital projects that City seeks reimbursement for from the proceeds of a series of Bonds.

"RATING AGENCY" or "AGENCIES" shall mean Moody's, Fitch and/or S&P, and/or such other nationally recognized securities rating agency, whichever shall have a rating then in effect with respect to the Bonds.

"REGISTRAR" shall mean either the Finance Department of the City as determined by subsequent proceedings of the Commission to be applicable to a series of Bonds or any bank or trust company and any successor bank or trust company, appointed by subsequent proceedings of the Commission to act as Registrar hereunder.

"REPLACEMENT BONDS" shall mean certificated Bonds authenticated and delivered pursuant to Article II, Section 9 of this Resolution, when the City discontinues the Book-Entry System.

"RESERVE ACCOUNT CREDIT FACILITY SUBSTITUTE" shall mean any one of the facilities described in Section 4.D of Article III of this Resolution.

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

"S&P" shall mean Standard & Poor's, a division of McGraw Hill, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

"SECURITIES DEPOSITORY" shall mean, with respect to the Bonds to be issued in book entry form, The Depository Trust Company and its successors and assigns, or a successor clearing agency designated pursuant to Article II hereof and its successors and assigns.

"SERIAL BONDS" shall mean the Bonds of an issue other than Term Bonds which shall be stated to mature annually.

"TAX CERTIFICATE" shall mean the certificate as to arbitrage and instructions as to compliance with the provisions of Section 103(a) of the Code, executed by the City on the date of initial issuance and delivery of each series of the Bonds, as such Tax Certificates may be amended from time to time, and which serves as a source of guidance for achieving compliance with the Code.

"TERM BONDS" shall mean the Bonds of an issue which shall be stated to mature on one date and for the amortization of that which mandatory payments are required to be made into the Debt Service Account.

"U.S. OBLIGATIONS" shall mean the direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, and, if determined by subsequent proceedings of the Commission,

certificates which evidence ownership of the right to the payment of the principal of, or interest on, such obligations.

"VARIABLE RATE BONDS" shall mean Bonds 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.

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

Section 2. FINDINGS. It is hereby ascertained, determined and declared:

- A. That the recitals hereinbefore mentioned are hereby adopted.
- B. That the Commission deems it necessary, desirable and in the best interest of the citizens and residents of the City to issue the Bonds, from time to time, to provide for the financing and refinancing of all or a portion of the Projects and to provide the means of reimbursing the City for prior expenditures made for certain capital projects and to pay the costs of issuing the Bonds.
- C. That the principal of and interest on the Bonds to be issued pursuant to this Resolution, and all of the reserve, if any, and sinking fund payments provided for herein will be paid from the Non Ad Valorem Revenues, all as provided herein; and the ad valorem taxing power of the City will never be necessary or authorized to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution, or to make any of the reserve, if any, or sinking fund payments provided for in this Resolution, and the Bonds issued pursuant to this Resolution shall not constitute a lien upon any of the Projects or upon any other property whatsoever of or in the City and shall not be an indebtedness of the City within the meaning of

any Constitutional, statutory or other limitation of Indebtedness, but shall be payable solely from the Non Ad Valorem Revenues.

D. That the Non Ad Valorem Revenues will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds to be issued pursuant to this Resolution, as the same becomes due and payable, and all sinking fund, reserve, if any, and other payments provided for in this Resolution.

E. That the Projects shall be financed in the manner provided in this Resolution.

F. That except as otherwise provided in this Resolution and any subsequent resolution with respect to a series of Bonds, the Bonds shall be on parity in all respects.

Section 3. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the Act.

Section 4. RESOLUTION CONSTITUTES CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the City and such Owners and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the Owners of any and all of such Bonds all of which shall be of equal rank and without preference, priority, or distinction of any of the Bonds over any other thereof except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATIONS, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 1. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions of this Resolution, obligations of the City to be known as "Revenue Bonds" with appropriate series designation and such other designations as the Commission deems appropriate, all as shall be determined by subsequent proceedings are hereby authorized to be issued from time to time. The Bonds shall be issued for the purposes described in Section 2 of Article I hereof and, if determined necessary by subsequent proceedings, to fund a Reserve Account, or in lieu thereof, pay the premium on a Reserve Account Credit Facility Substitute and pay the cost of issuing the Bonds, including the cost of a Credit Facility, if any.

Section 2. DESCRIPTION OF BONDS. The Bonds shall be issued in registered form, shall be in the denomination of not less than \$5,000 each, or any integral multiple thereof; provided, however, (i) if such Bonds are Capital Appreciation Bonds, then in \$5,000 maturity amounts or in \$5,000 multiples thereof, and (ii) if such Bonds are Capital Appreciation and Income Bonds, such Bonds may be issued in any denomination, as long as their Appreciated Value at maturity shall be \$5,000 or any integral multiple thereof; and the Bonds shall mature on such dates in such years and in such amounts, all as provided by subsequent proceedings of the Commission. Principal shall be payable at the designated office of the Paying Agent. The Bonds shall be numbered in such manner as may be prescribed by the Registrar. The Bonds shall bear interest at not exceeding the maximum rate or rates permitted by law, payable by check or draft made payable to the Holder of Bonds and mailed to the address of such Holder of Bonds, as such name and address as appear on the registration books of the City maintained by the Registrar on the fifteenth day of the calendar month preceding each Interest Payment Date or the fifteenth day prior to the date notice of redemption is given, whether or not such 15th day is a Saturday, Sunday or holiday (herein the "Record Date"); provided, however,

that payment of interest on the Bonds may, at the option of any Holder of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to the Holder at the domestic bank account number on file with the Paying Agent as of the Record Date. The Bonds authenticated prior to the first interest Payment Date shall be dated and bear interest from the date determined by subsequent proceedings of the Commission. Bonds authenticated subsequent to the first Interest Payment Date shall bear interest from the next preceding Interest Payment Date on which such interest has been paid, unless such Bond is registered on an Interest Payment Date or during the period between a Record Date and the next succeeding Interest Payment Date, then from such Interest Payment Date if interest is then paid, as the case may be; provided, however, that if and to the extent there is a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the persons in whose name Bonds are registered on the registration books of the City maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent Interest Payment Date established by notice mailed by the Registrar to the registered owner not less than the tenth day preceding such subsequent Interest Payment Date, such interest shall be payable not less frequently than semiannually on such dates determined by subsequent proceedings of the Commission, except that (i) interest on any Capital Appreciation Bonds shall be paid only at maturity or upon redemption prior to maturity in the amount determined by reference to the Accreted Value, and (ii) interest on a Capital Appreciation and Income Bond shall be payable upon redemption prior to maturity and semiannually on such dates determined by subsequent proceedings of the Commission, but only after the Interest Commencement Date.

The Bonds shall be payable, with respect to interest, principal and premium, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts;

The Bonds issued hereunder may be Serial Bonds or Term Bonds and may be Variable Rate Bonds, and such Bonds issued hereunder may be Capital Appreciation Bonds and/or Capital Appreciation and Income Bonds as determined by subsequent proceedings of the Commission.

The payment of principal of and interest on the Bonds may, in addition to the Pledged Revenues, be secured by Bond Insurance or other Credit Facility all as shall be determined by subsequent proceedings of the Commission.

Section 3. REDEMPTION PROVISIONS. The Bonds may be subject to redemption prior to maturity at such times, at such redemption prices and upon such terms as shall be determined by subsequent proceedings of the Commission.

Section 4. EXECUTION OF BONDS. The Bonds shall be executed in the name of the City by the signature of the Mayor or Vice Mayor and its official seal shall be affixed thereto or imprinted or reproduced thereon and attested by the Clerk. The signatures of said Mayor or Vice Mayor and Clerk on the Bonds may be manual or facsimile signatures. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the City by such person who at the actual time of the execution of such Bond shall hold the proper office, although at the date such Bonds shall be actually delivered such person may not hold office or may not be so authorized.

The Bonds shall bear thereon a certificate of authentication, in the form set forth in Section 8 hereof, executed manually by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication

shall have been duly executed by the Registrar. Such certificate of the Registrar upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond has been so authenticated and that the Owner thereof is entitled to the benefits of this Resolution.

Section 5. NEGOTIABILITY, REGISTRATION AND CANCELLATION. Except as may be otherwise provided in subsequent proceedings of the Commission with respect to a series of Bonds, at the option of the registered owner thereof and upon surrender thereof at the designated office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney and upon payment by such Owner of any charges which the Registrar may make as provided in this Section, the Bonds may be exchanged for Bonds of the same series and maturity of any other authorized denominations.

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

The City, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability such Bond to the extent of the sum or

sums so paid, and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Registrar and canceled by the Registrar in the manner provided in this Section. There shall be no charge for any such exchange or transfer of Bonds, but the City or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (i) to transfer or exchange Bonds for a period commencing on a Record Date and ending on the next ensuing Interest Payment Date or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (ii) to transfer or exchange any Bonds called for redemption. However, if less than all of a Term Bond is redeemed or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Term Bond so surrendered, a registered Term Bond in the appropriate denomination.

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

The City is hereby authorized to provide for the registration of the Bonds by adopting the Book-Entry System for such Bonds. Bonds held by the Securities Depository while the Bonds are registered under the Book-Entry System shall be registered in the name of the Securities Depository or its nominee and beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the Securities Depository and its Participants.

Section 6. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, destroyed, stolen or lost, the City may execute and the Registrar shall authenticate and deliver a new Bond of like series, date, maturity and denomination as the Bond so mutilated, destroyed, stolen or lost; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the City and, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the City and the Registrar evidence of such loss, theft, or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event any such Bond shall be about to mature or have matured or have been called for redemption, instead of issuing a duplicate Bond, the City may pay the same without surrender thereof. The City and the Registrar (if not the City) may charge the Owner of such Bond their reasonable fees and expenses in connection with this transaction. Any Bond surrendered for replacement shall be canceled in the same manner as provided in Section 5 hereof.

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

Section 7. PREPARATION OF DEFINITIVE BONDS; TEMPORARY BONDS. Unless the City is utilizing the Book-Entry System, the definitive Bonds shall be lithographed,

typewritten or printed on steel engraved borders. Until the definitive Bonds are prepared, the Mayor or Vice Mayor and the Clerk may execute and the Registrar may authenticate, in the same manner as is provided in Section 4 of this Article II, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more printed, lithographed or typewritten temporary fully registered Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. The City, at its own expense, shall prepare and execute and, upon the surrender at the designated corporate trust office of the Registrar of such temporary Bonds for which no payment or only partial payment has been provided, for exchange and the cancellation of such surrendered temporary Bonds, the Registrar shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the designated office of the Registrar, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. If the City is utilizing the Book-Entry System, the Bonds shall be in the form so required by the Securities Depository.

Section 8. FORM OF BONDS. Unless otherwise provided in subsequent proceedings of the Commission with respect to a series of Bonds, the text of the Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable:

(Form of Bonds)*

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

(Face of Bond with certain provisions applicable to a Capital Appreciation Bond or a Capital Appreciation and Income Bond as indicated)

No. R-

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
PALM BEACH COUNTY
CITY OF DELRAY BEACH
REVENUE [REFUNDING] [AND IMPROVEMENT] BOND
SERIES

Interest Rate

Maturity Date

Dated Date

CUSIP

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City"), for value received, hereby promises to pay, from the Pledged Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the designated office of _____, as paying agent (said

_____ and any bank or trust company becoming successor paying agent being herein called the "Paying Agent"), the Principal Amount stated hereon with interest thereon at the Interest Rate stated above, payable on the first day of _____ and _____ of each year until the City's obligation with respect to the payment of such principal sum shall be discharged. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registration books of _____, as registrar (said _____ and any bank or trust company becoming successor registrar being herein called the "Registrar"), on the fifteenth day of the calendar month preceding each interest payment date, or the fifteenth day prior to the date notice of redemption is given, whether or not such fifteenth day is a Saturday, Sunday or holiday (the "Record Date"); provided, however, that payment of interest on the Bonds may, at the option of any Holder of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to the Holder to the domestic bank account number on file with the Paying Agent as of the Record Date. Such interest shall be payable from the most recent interest payment date next preceding the date of authentication to which interest has been paid, unless the date hereof is an _____ 1 or _____ 1 to which interest has been paid, in which case from the date of authentication, or unless the date hereof is prior to _____, _____, in which case from _____, _____, or unless the date hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date; provided, however, that if and to the extent there is a default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the persons in whose name Bonds are registered on the registration books of the City maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent interest payment date established by notice mailed by the Registrar to the

registered owner not less than the tenth day preceding such subsequent interest payment date.

The Principal Amount and accrued interest thereon is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

[The following is applicable to Capital Appreciation Bonds only]

No.

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
PALM BEACH COUNTY
CITY OF DELRAY BEACH
REVENUE [REFUNDING] [AND IMPROVEMENT] BOND
SERIES**

Interest Rate

Maturity Date

Dated Date

CUSIP

Registered Owner:

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

Amount Due at
Maturity:

KNOW ALL MEN BY THESE PRESENTS, that the City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City"), for value received, hereby promises to pay, from the Pledged Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the designated office of _____, as paying agent (said _____ and any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Amount Due at Maturity (stated above), constituting the Principal Amount per \$5,000 Amount Due at Maturity (stated above) and interest thereon at the Interest Rate (stated above) from the Dated Date (stated above)

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

[The following is applicable to Capital Appreciation and income Bonds only]

No.

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
PALM BEACH COUNTY
CITY OF DELRAY BEACH
REVENUE [REFUNDING] [AND IMPROVEMENT] BOND
SERIES

Interest Rate

Maturity Date

Dated Date

CUSIP

Registered Owner:

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

Amount Due at
Maturity:

Interest Commencement
Date:

KNOW ALL MEN BY THESE PRESENTS, that the City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City"), for value received, hereby promises to pay, from the Pledged Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the designated corporate trust office of _____, as paying agent (said _____ and any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the Amount Due at Maturity (stated above), constituting the Principal Amount (stated above) per \$5,000 Amount Due at

Maturity and interest thereon at the interest Rate (stated above) from the Dated Date (stated above) compounded on each _____ 1 and _____ 1 during the period from the Dated Date (stated above) to _____ (the "Interest Commencement Date").

The City further promises to pay to the Registered Owner hereof by check or draft of the Paying Agent made payable to the registered owner and, mailed to such registered owner at the address shown on the registration books of the City kept for that purpose at the designated office of _____, as registrar (said _____ and any bank or trust company becoming successor registrar being herein called the "Registrar") as of the fifteenth day of the month preceding such interest payment date, interest on the Amount Due at Maturity from the Interest Commencement Date, at the rate per annum equal to the Interest Rate (stated above), payable on the first day of April and October in each year (commencing _____ 1, _____), until the City's obligation with respect to the payment of such Amount Due at Maturity shall be discharged. Upon earlier redemption or other payment prior to the Interest Commencement Date as set forth on the reverse hereof, payment shall be made at the Appreciated Value as of the date of redemption or other payment of this Bond. The "Appreciated Value" of this bond shall mean (i) as of any date of computation up to and including, _____ 1, _____, an amount equal to the Principal Amount hereof plus the interest accrued thereon to the _____ 1 or _____ 1 next preceding the date of computation or the date of computation if an _____ 1 or an _____ 1, plus, if such date of computation shall not be an _____ 1 or an _____ 1, a portion of the difference between the Appreciated Value as of the immediately preceding _____ 1 or _____ 1 (or the Dated Date if the date of computation is prior to _____ 1, _____) and the Appreciated Value as of the immediately succeeding _____ 1 or _____ 1, calculated based upon an assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis

of a year of twelve 30-day months, and (ii) after the Interest Commencement Date, the Appreciated Value at the Interest Commencement Date. The Appreciated Value per \$5,000 Amount Due at Maturity of this Bond on each _____ 1 and _____ 1 is set forth in a table on the reverse hereof. The table should not be construed as a representation as to the market value of this Bond at any time in the future but may bear a relationship to the amount of tax-exempt interest and taxable gain with respect to this Bond if sold prior to the interest Commencement Date. Upon redemption or other payment subsequent to the Interest Commencement Date and prior to the Maturity Date in accordance with the provisions set forth on the reverse hereof, payment of this Bond shall be made in an amount equal to the Amount Due at Maturity plus any applicable premium plus accrued and unpaid interest on such Amount Due at Maturity.

THE FOLLOWING IS APPLICABLE TO ALL BONDS

Reference is hereby made to the provisions of this Bond set forth on the reverse side hereof and such further provisions shall for all purposes have the same effect as if set forth on the front side hereof.

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

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

IN WITNESS WHEREOF, the City of Delray Beach, Florida, has caused this Bond to be signed by its Mayor, either manually or with his [her] facsimile signature, and the seal of said City to be affixed hereto or imprinted or reproduced hereon, and attested by the City's Clerk, either manually or with her [his] facsimile signature, all as of the Dated Date.

CITY OF DELRAY BEACH, FLORIDA

Mayor

ATTEST:

City Clerk

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

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

as Registrar

By: _____
Authorized Officer

(Back of Bond)

This Bond is one of an authorized issue of Bonds of the City designated as its Revenue [Refunding] [and improvement] Bonds, Series ____ (herein called the "Bonds"), in the aggregate principal amount of \$ _____ of like date, tender, and effect, except as to number, date of maturity and interest rate, issued for the purpose of [state purpose], and for the other purposes as more fully described in the Resolution hereinafter referred to, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly, Chapter 166, Florida Statutes, as amended and supplemented, the City Charter, as amended and supplemented and other applicable provisions of law, and a resolution duly adopted by the City Commission of said City on December 14, 1999, as amended and supplemented from time to time (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. Any capitalized term not otherwise defined in this Bond shall have the meaning ascribed to such term in the Resolution.

[Redemption Provisions]

This Bond is payable from and secured by a lien upon and pledge of the Pledged Revenues, all in the manner provided in the Resolution.

"Pledged Revenues" shall mean (a) the Non-Ad Valorem Revenues deposited in the Debt Service Fund created and established under the Resolution, (b) investment income received from the investment of moneys in the Debt Service Fund and accounts established thereunder, [other than the escrow deposit trust fund established under an escrow deposit agreement,] and (c) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with the repayment of the Bonds.

"Non-Ad Valorem Revenues" shall mean all revenues of the City derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment of debt service by the City.

Until all of the Bonds are paid or deemed paid pursuant to the provisions of the Resolution, the City has covenanted to appropriate in its annual budget, by amendment if required, in each Fiscal Year, Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, as the same become due and payable. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

To the extent that the City is in compliance with the covenants contained in the Resolution, and has budgeted and appropriated in each Fiscal Year, Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, the Resolution and the obligations of the City contained therein shall not be a limitation on the ability of the City to pledge or covenant to pledge its Non-Ad Valorem Revenues for other legally permissible purposes.

The full faith and credit of the City is not pledged for the payment of this Bond, and this Bond does not constitute an indebtedness of the City within the meaning of any Constitutional, statutory or other provision or limitation; and it is expressly agreed by the Owner of this Bond that such Owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the City for the payment of the principal of and interest on this Bond or the making of reserve, if any, and sinking fund payments provided for in the Resolution.

It is further agreed between the City and the Owner of this Bond that this Bond and the obligation evidenced thereby shall not constitute a lien upon any of the projects

financed with the proceeds of the Bonds, or on any other property or in the City, but shall constitute a lien only on the Pledged Revenues pledged thereto, all in the manner provided in the Resolution.

The original registered owner, and each successive registered owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

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

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

(3) At the option of the registered owner thereof and upon surrender hereof at the designated office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney and upon payment by such registered owner of any charges which the Registrar or the City may make

as provided in the Resolution, the Bonds may be exchanged for Bonds of the same maturity of any other authorized denominations.

(4) In all other cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the City or the Registrar may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (a) to transfer or exchange Bonds for a period of 15 days from a Record Date to the next ensuing interest payment date or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Bond is redeemed or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Bond so surrendered, a registered Bond in the appropriate denomination.

[The following paragraph is applicable to Capital Appreciation Bonds only]

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

Capital Appreciation Bond shall be deemed to be its "Accreted Value", which consists of principal plus accrued interest and is more fully defined in the Resolution.

[The following paragraph is applicable only to Capital Appreciation and Income Bonds]

For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation and Income Bond is redeemed prior to maturity, (ii) computing the amount of Bonds held by the registered owner of a Capital Appreciation and Income Bond in the giving to or by the City any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever, or (iii) computing the amount of Bonds to be redeemed and the selection of Bonds to be redeemed, the principal amount of a Capital Appreciation and Income Bond shall be deemed to be its "Appreciated Value", as such term is more fully defined in the Resolution.

[For Capital Appreciation Bonds only]

ACCREDITED VALUE PER \$5,000 MATURITY AMOUNT

<u>Date</u>	<u>Accreted Value</u>	<u>Date</u>	<u>Accreted Value</u>
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[For Capital Appreciation and Income Bonds only]

ACCREDITED VALUE PER \$5,000 MATURITY AMOUNT

<u>Date</u>	<u>Accreted Value</u>	<u>Date</u>	<u>Accreted Value</u>
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ASSIGNMENT AND TRANSFER

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

(please print or typewrite name and address of transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

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

Dated: _____

In the presence of: _____

[Statement of Insurance, if any]

Section 9. BOOK-ENTRY SYSTEM

A. As long as the Bonds are registered under the Book-Entry System, the City and the Registrar, as the case may be, shall comply with the terms of the agreements with the Securities Depository (collectively, the "Book-Entry Agreement"). However, the Book-Entry System through the Securities Depository may be terminated upon the happening of any of the following:

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

B. Upon the occurrence of any event described in Section 9.A above, (i) the City and the Registrar shall, if necessary, enter into a resolution supplemental to this Resolution to add to the provisions of this Resolution any provisions deemed reasonably necessary or required by the Registrar, and approved in writing by the Bond Insurer, if any, with respect to Replacement Bonds (including, but not limited to, the provision for the cost and expenses for the printing thereof) and to account for the fact that, thereafter, the Bonds will no longer be registered under the Book-Entry System, and (ii) the Registrar shall notify the Securities Depository and the Bond Insurer, if any, of the occurrence of such event and of the availability of definitive or temporary Replacement Bonds to Beneficial Owners requesting the same, in an aggregate Outstanding amount representing the interest of each such Beneficial Owner, making such adjustments and allowances as it may find necessary or appropriate as to

accrued interest and previous payments of principal. Definitive Replacement Bonds shall be issued only upon surrender to the Registrar of the Bond of each maturity by the Securities Depository, accompanied by registration instructions for the definitive Replacement Bonds for such maturity from the Securities Depository. Neither the City nor the Registrar shall be liable for any delay in delivery of such instructions and conclusively may rely on, and shall be protected in relying on, such instructions.

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

ARTICLE III

COVENANTS, FUNDS AND APPLICATION THEREOF

Section 1. BONDS NOT TO BE INDEBTEDNESS OF THE CITY. The Bonds shall not be or constitute an indebtedness of the City within the meaning of any Constitutional, statutory or other limitation or indebtedness, but shall be secured solely by a lien on and pledge of the Pledged Revenues and payable from the Non-Ad Valorem Revenues, including the Pledged Revenues. No Owner or Owners of any Bonds issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the City, or taxation in any form on any real property therein to pay the Bonds or the interest thereon. No Owner shall have a lien on any Non-Ad Valorem Revenues until deposited in the Debt Service Fund.

It is further agreed between the City and the Bondholders that the Bonds and the obligations evidenced thereby shall not constitute a lien upon any of the Projects financed with

the proceeds of the Bonds, or on any other property of or in the City, but shall constitute a lien only on the Pledged Revenues pledged thereto, all in the manner provided in this Resolution.

Section 2. BONDS SECURED BY LIEN ON AND PLEDGE OF THE PLEDGED REVENUES. The payment of the principal of, redemption premium, if any, and interest on all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on and pledge of the Pledged Revenues in an amount sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, herein authorized, and to make all other payments provided for in this Resolution as the same become due and payable.

Section 3. APPLICATION OF BOND PROCEEDS. Except as may otherwise be provided by subsequent proceedings of the Commission with respect to a series of Bonds, all moneys received by the City from the sale of each series of the Bonds authorized and issued pursuant to this Resolution shall be disbursed in the following manner and order of priority:

A. The accrued interest derived from the sale of the Bonds shall be deposited in the Debt Service Account of the Debt Service Fund, hereinafter created and established, and used for the purpose of paying the interest on the Bonds as the same becomes due and payable.

B. If applicable, from the proceeds of the sale of the Series 1999 Bonds, an amount, which together with other moneys lawfully available therefor, if any, shall be deposited in one or more escrow deposit trust funds to be held by a bank or trust company, as trustee, under the terms and provisions of the applicable escrow deposit agreement and such proceeds, together with such other moneys, if any, shall be held irrevocably in trust in such escrow deposit trust funds under the terms and provisions of such escrow deposit agreement; such moneys shall be invested at the time of deposit in U.S. Obligations which are not redeemable prior to maturity except by the holder thereof, the principal and interest of which shall be sufficient to pay the principal of, redemption premium and interest on all or a portion

of any Bonds issued under this Resolution that are being advanced or currently refunded as the same mature and become due and payable or are redeemed prior to maturity in accordance with the proceedings which authorized their issuance, all as provided in this Resolution, the applicable escrow deposit agreement and subsequent proceedings of the City Commission.

C. If applicable, an amount equal to the Debt Service Reserve Requirement may be deposited into the Reserve Account, hereinafter created and established, and used for the purposes provided therein, as shall be determined by subsequent proceedings of the Commission, or in lieu of depositing all or part of such amount of the proceeds of the Bonds, the City may deposit a Reserve Account Credit Facility Substitute with the requisite coverage.

D. The balance of the proceeds derived from the sale of the Bonds shall be deposited in a fund in a bank or trust company in the State which is eligible under State laws to receive deposits of City funds, which fund is hereby created, established and designated as the "Construction Fund" together with other moneys lawfully available therefor, if any. There is hereby created and established in the Construction Fund a separate line item to be known as the "Cost of Issuance Cost Center," into which shall be deposited an amount sufficient to pay the costs of issuance of the Bonds, including, but not limited to, payment for the Credit Facility, if any, and the initial payment of the premium or fee for the Reserve Account Credit Facility Substitute, if any. There is hereby further created and established in the Construction Fund a separate line item to be known as the "Capitalized Interest Cost Center," into which shall be deposited an amount, if any, which will be sufficient, including investment income, if any, to provide for the payment of interest on all or a portion of the Bonds of a series issued to pay the cost of the Projects to be financed with the proceeds of such series for a period to be hereinafter determined by subsequent resolution of the Commission in accordance with the terms of the Act, but in no case for a period longer than one (1) year after the completion of

the applicable Projects. No withdrawals shall be made from the Construction Fund in an amount in excess of \$100,000 at any one time, except for amounts in the Cost of Issuance Cost Center, and the Capitalized Interest Cost Center, without the written approval of the Finance Director or his designee, and only upon receipt of a written requisition executed by the duly authorized official of the City responsible for the acquisition or construction of the applicable Projects, specifying the purpose for which such withdrawal is to be made and certifying that such purpose is one of the purposes provided for in this Resolution for the acquisition or construction of the Projects. If, for any reason, the moneys in the Construction Fund, or any part thereof, are not necessary for or are not applied to the purposes of the applicable Projects, as such Projects may be changed by subsequent proceedings of the City without the consent of any Bondholder, then such surplus proceeds shall be deposited, upon certification of the Finance Director, that such surplus proceeds are not needed for the purposes of the Construction Fund, in the following order:

First, if applicable, to the Reserve Account in the Debt Service Fund hereby created and established for the Bonds, to the full extent necessary, either to reinstate any Reserve Account Credit Facility Substitute on deposit therein, or to deposit additional moneys so that such deposit, together with such moneys already on deposit therein, equal the Debt Service Reserve Requirement for Bonds;

Second, if applicable, to the Debt Service Account in the amounts determined by subsequent proceedings of the Commission; and

Third, the balance, if any, to the City and used for any lawful purpose.

The moneys deposited in the Construction Fund may, pending their use for the purposes provided in this Resolution, be temporarily invested in Permitted Investments maturing not later than the dates on which such moneys will be needed for the purposes of the Construction Fund. Subject to the provisions of the Code and the Tax Certificate, all the

earnings and investment income from such investments shall remain in and become a part of said Construction Fund and be used for the purposes of the Construction Fund.

Any moneys received by the City from the State or from the United States of America or any agencies thereof for the purpose of financing any part of the Projects, may be deposited in the Construction Fund and used in the same manner as the Bond proceeds are used therein; provided, however, that such moneys shall not be so deposited in the event and to the extent that the City has incurred debt in anticipation of the receipt of such moneys; and provided further, that separate accounts may be established in the Construction Fund for moneys received pursuant to the provisions of this paragraph whenever required by federal or State regulations.

All of the proceeds from the sale of the Bonds deposited hereunder shall be and constitute trust funds for the purposes hereinabove provided and there is hereby created a lien upon such moneys, until so applied, in favor of the Owners of the Bonds; provided, however, that the Owners of the Bonds shall not have a lien on the moneys in the escrow deposit trust fund created pursuant to any escrow deposit agreements or the money used to reimburse the City for prior capital expenditures.

Section 4. COVENANTS OF THE CITY. As long as any of the principal of or interest on any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Debt Service Fund (hereinafter defined), a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, or until the provisions of Section 4.H of this Article III have been complied with, the City covenants with the Owners of any and all of the Bonds issued pursuant to this Resolution as follows:

A. Covenant to Budget and Appropriate. Until all of the Bonds are paid or deemed paid pursuant to the provisions of this Resolution, the City hereby covenants to appropriate in

its annual budget, by amendment if required, in each Fiscal Year, Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, as the same become due and payable. Notwithstanding the foregoing, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

If and to the extent that the City is in compliance with the covenant contained above and the covenants set forth in Paragraph E of this Section 4, and has budgeted and appropriated in each Fiscal Year Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, this Resolution and the obligations of the City contained herein shall not be construed as a limitation on the ability of the City to pledge or covenant to pledge its Non-Ad Valorem Revenues for other legally permissible purposes.

Upon deposit of Non-Ad Valorem Revenues appropriated in each Fiscal Year into the Debt Service Fund, such Non-Ad Valorem Revenues shall become Pledged Revenues, and the Holders of the Bonds shall have a first lien on such Pledged Revenues until the principal of, redemption premium, if any, and interest on the Bonds shall be paid or deemed paid within the meaning of this Resolution.

B. Tax Covenant.

1. In order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the City covenants to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the City agrees to comply with the provisions of the Tax Certificate executed by the City on the date of initial issuance and delivery of each series of the Bonds.

2. The City covenants that the City shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the fund and accounts established in connection with the Bonds or from other legally available funds of the City.

3. Notwithstanding any other provision of this Resolution to the contrary, as long as necessary in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or discharge thereof pursuant to Section 4.H. of this Article III.

C. Establishment of the Debt Service Fund and Accounts Therein. There is hereby created and established the following fund and accounts: a Debt Service Fund consisting of a Debt Service Account and a Reserve Account. The Debt Service Fund and the accounts therein shall constitute trust funds for the benefit of the Holders of the Bonds until so applied in accordance with the terms hereof. The City is hereby authorized to create one or more special subaccounts in the Debt Service Account for the payment of sinking fund installments on Term Bonds.

D. Disposition of Pledged Revenues. The City shall deposit or cause to be deposited the Non-Ad Valorem Revenues budgeted and appropriated into the Debt Service Account of the Debt Service Fund (including any special subaccounts created and established in the Debt Service Account for the payment of sinking fund installments on Term Bonds) at such times (but in no case later than the Business Day next preceding an Interest Payment Date) and in such amounts as shall be sufficient to make full and timely payments of the principal of, redemption premium, if any, and interest on the Bonds, as the same become due and payable, in each year that the Bonds are outstanding and unpaid. The City may invest

the moneys on deposit in the Debt Service Account of the Debt Service Fund in Permitted investments to mature not later than such times as shall be necessary to pay debt service on the Bonds (whether at maturity, by redemption, or otherwise).

If determined by subsequent proceedings of the Commission with respect to a series of Bonds that a Reserve Account is applicable to such series of Bonds, as long as such Bonds of that series are Outstanding, the City covenants to maintain a Reserve Account in an amount equal to the Debt Service Reserve Requirement, such amounts may be in cash (or Permitted Investments of such cash), or in lieu thereof such Debt Service Reserve Requirement may be satisfied by maintaining a Reserve Account Credit Facility Substitute (as herein defined), in the manner provided below, or any combination thereof. Moneys on deposit in the Reserve Account of the Debt Service Fund shall be applied for the purpose of paying the principal of, redemption premium, if any, and interest on the Bonds to the extent that moneys on deposit in the Debt Service Account of the Debt Service Fund are insufficient for such purposes. Moneys on deposit in the Reserve Account of the Debt Service Fund may be invested by the City in Permitted Investments, which shall mature not later than the final maturity of the Bonds, provided however, that such Permitted Investments shall not have maturities extending beyond five years unless approved by the Bond Insurer.

Notwithstanding the foregoing provisions, in lieu of all or part of the required deposits of Non-Ad Valorem Revenues into the Reserve Account, the City may cause to be deposited into the Reserve Account, a surety, an unconditional direct pay letter of credit issued by a bank, a reserve account line of credit issued by a bank, or a municipal bond insurance policy issued by a reputable and recognized insurer for the benefit of the Bondholders (herein referred to as a "Reserve Account Credit Facility Substitute") in an amount equal to the difference between the Debt Service Reserve Requirement and the sums then on deposit in the Reserve Account, if any, which Reserve Account Credit Facility

Substitute shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date on which a deficiency exists in the Debt Service Account. In addition, the City, at any time by subsequent proceedings of the Commission, may substitute a Reserve Account Credit Facility Substitute for all or part of the moneys on deposit in the Reserve Account. Under such circumstances, the Reserve Account Credit Facility Substitute, together with cash, if any, or Permitted Investments of such cash, shall be in an amount equal to the Debt Service Reserve Requirement. Such municipal bond insurer or bank, in the case of a letter of credit or line of credit, shall be one whose municipal bond insurance policies or unconditional direct pay letters of credit or other type of credit enhancement insuring or guaranteeing the payment, when due, of the principal of and interest on municipal bond issues, result in such issues being rated in the highest rating category by any Rating Agency or Agencies then rating the Bonds and the highest rating accorded insurers by A.M. Best & Company, or any comparable service. If a disbursement is made from a Reserve Account Credit Facility Substitute, provided pursuant to this paragraph, the City shall be obligated to reinstate from Non-Ad Valorem Revenues the maximum limits of such Reserve Account Credit Facility Substitute following such disbursement at the time or times required by the issuer of the Reserve Account Credit Facility Substitute or, with the consent of the issuer of the Reserve Account Credit Facility Substitute, to replace such Reserve Account Credit Facility Substitute by depositing into the Reserve Account from the Pledged Revenues as herein provided, funds in the maximum amount originally payable under such Reserve Account Credit Facility Substitute, or any combination of such alternatives. In the event there is more than one Reserve Account Credit Facility Substitute on deposit in the Reserve Account, the City, or the Paying Agent on its behalf, shall be obligated to draw on each on a pro-rata basis. In the event the Reserve Account is funded, both with cash (including Permitted Investments of such cash) and a Reserve Account Credit Facility Substitute in the aforementioned manner, and it

is necessary to make payments into the Debt Service Account when the moneys therein are insufficient therefor, the City covenants to deposit the cash (including Permitted Investments on such cash) on deposit in the Reserve Account into the Debt Service Account prior to any disbursements from the Reserve Account Credit Facility Substitute. The City covenants to instruct the Paying Agent to request payment under the Reserve Account Credit Facility Substitute at least three (3) days prior to the date moneys thereunder will be needed to pay the Bonds. The City may replace any Reserve Account Credit Facility Substitute with cash or another Reserve Account Credit Facility Substitute if the long term rating of the issuer thereof is reduced below that which existed at the time such Reserve Account Credit Facility Substitute was delivered to the City.

Whenever there is on deposit in the Reserve Account an amount in excess of the Debt Service Reserve Requirement, the amount of such excess shall be reduced in the following manner: (i) if there is on deposit in the Reserve Account a Reserve Account Credit Facility Substitute, as provided herein, the principal amount thereof shall be reduced by the amount of such excess, and (ii) if there is on deposit therein, cash (including Permitted Investments on such cash), the amount of cash and/or Permitted Investments of such cash in the Reserve Account shall be reduced in an amount equal to such excess. The cash and/or Permitted Investments of such cash so withdrawn under clause (ii) above shall be deposited in the Debt Service Account and used for the purposes provided therein. Subject to the provisions of the Code and the applicable Tax Certificate, all of the income or investment earnings received from the cash on deposit in the Reserve Account shall be deposited, to the extent the Debt Service Reserve Requirement will be maintained after such deposit, in the Debt Service Account and used for the purpose provided therein, as provided in this Resolution.

Investments of moneys on deposit in the Reserve Account shall be valued at least once each Fiscal Year at the then fair market value of such investments. If a deficiency results from such valuation, the City covenants to replenish, in the manner provided above, the Reserve Account or reinstate the Reserve Account Credit Facility Substitute, as applicable, from Non-Ad Valorem Revenues in the amount of such deficiency by not later than the next valuation date. If it is necessary to deposit moneys from the Reserve Account into the Debt Service Account because of deficiencies therein, the City covenants to replenish, in the manner provided above, the Reserve Account or reinstate the Reserve Account Credit Facility Substitute, as applicable, from Non-Ad Valorem Revenues by not later than the second business day prior to the next succeeding Interest Payment Date.

E. Additional Debt of the City Payable from Non-Ad Valorem Revenues. That the City hereby covenants that in each Fiscal Year, it will not issue non-self-supporting revenue debt of the City payable from its Non-Ad Valorem Revenues unless: (i) the total outstanding maximum annual non-self-supporting revenue debt service, including the non-self supporting revenue debt service on the debt proposed to be issued, does not exceed fifty percent (50%) of the City's gross Non-Ad Valorem Revenues (all legally available Non-Ad Valorem Revenues of the City from whatever source including investment income) of the City received by the City in the test period; and (ii) the net available Non-Ad Valorem Revenues of the City for the test period were at least 1.10 times average annual debt service of all indebtedness of the City payable from its Non-Ad Valorem Revenues including the debt proposed to be issued.

As used above, the term "non-self-supporting revenue debt" shall mean all revenue debt obligations in whatever form except such revenue debt obligations which are payable solely from a specific enterprise fund or are otherwise self-liquidating and the term "net available Non-Ad Valorem Revenues" shall mean "gross Non-Ad Valorem Revenues," as defined above, minus costs of operation and maintenance of the City (except any such costs

paid from ad valorem taxes) plus 0.7% of the legally available unencumbered cash balances on hand at the end of the most recent Fiscal Year. The term "test period" means the average of the last two preceding Fiscal Years.

Except as provided below, for the purpose of calculating average annual debt service on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Bond Buyer Revenue Bond 30-Year Index, or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of the City, or (iii) 6% per annum. If such variable rate indebtedness is to be secured by the City's covenant to budget and appropriate Non-Ad Valorem Revenues and in lieu of cash, the debt service reserve fund for such indebtedness is funded with a Reserve Account Credit Facility Substitute, such indebtedness shall be deemed to bear interest at the maximum rate.

As used above, the term "maximum rate" means the maximum rate of interest such variable rate debt may bear at any particular time, which rate shall not exceed the rate of interest allowed under Florida law and will be determined by the City at the time such variable rate debt is issued.

F. Books and Records. That the City will keep books and records of each Fiscal Year of the receipt of its Non-Ad Valorem Revenues in accordance with generally accepted accounting principles for government units, and any Owner or Owners of Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the records, accounts and data of the City relating thereto.

The City covenants that within one hundred eighty (180) days of the close of each Fiscal Year it will cause to be prepared and mailed to all Owners who shall have filed their names and addresses with the Finance Director for such purpose a statement setting forth in respect of the preceding Fiscal Year:

1. the total amounts deposited to the credit of the Debt Service Fund and the accounts created under the provisions of this Resolution;
2. the principal amount of all Bonds paid, purchased or redeemed; and
3. the amounts on deposit at the end of such Fiscal Year to the credit of the Debt Service Fund and the accounts created under the provisions of this Resolution.

G. **Remedies.** Any Owner of Bonds or any trustee acting for such Owners in the manner hereinafter provided, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the City or by any officer thereof.

The Owner or Owners of Bonds in an aggregate principal amount of not less than fifty one per centum (51%) of Bonds issued under this Resolution then Outstanding may by a duly executed certificate in writing appoint a trustee for Owners of Bonds issued pursuant to this Resolution with authority to represent such Owners in any legal proceedings for the enforcement and protection of the rights of such Owners. Such certificate shall be executed by such Owners or their duly authorized attorneys or representatives, and shall be filed in the office of the City Attorney.

Any exercise of a remedy set forth in this Section 4.G shall be subject to the consent of the Credit Facility Issuer, if any, and such Credit Facility Issuer shall have the right, acting alone, to exercise said remedies as long as it has not defaulted in its obligations under its Credit Facility.

Acceleration of the payment of principal of and interest on the Bonds shall not be a remedy available to the Owners of the Bonds.

H. Discharge and Satisfaction of Bonds. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in anyone or more of the following ways:

1. by paying the principal of and interest on Bonds when the same shall become due and payable;

2. by depositing in the Debt Service Fund or such other funds or accounts which are irrevocably pledged to the payment of the Bonds as the City may hereafter create and establish by proper proceedings moneys which, together with other moneys lawfully available therefor and deposited therein, if any, shall be sufficient at the time of such deposit to pay the Bonds, the redemption premium, if any, and interest as the same become due on said Bonds on or prior to the redemption date or on the maturity date thereof; or

3. by depositing in the Debt Service Fund or such other funds or accounts which are irrevocably pledged to the payment of the Bonds as the City may hereafter create and establish by proper proceedings moneys which, together with other moneys lawfully available therefor and deposited therein, if any, when invested in Defeasance Obligations will provide moneys which shall be sufficient to pay the Bonds, the redemption premium, if any, and interest as the same shall become due on said Bonds on or prior to their redemption date or on the maturity date thereof.

4. Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge of any maturity of the Bonds, any portion of a maturity of the Bonds or any combination thereof.

Notwithstanding the foregoing, in the event that the payment or deposit in the amount and manner provided in this Resolution has been made by the Credit Facility Issuer under the terms of the Credit Facility, the Credit Facility Issuer shall be subrogated to the

rights of the Holders of the Bonds and the liability of the City, with respect thereto, shall not be discharged or extinguished.

Upon such payment or deposit in the amount and manner provided in this Section 4.H of Article III of this Resolution, the Bonds shall no longer be deemed to be outstanding for the purposes of this Resolution and all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged and extinguished, and the Owners thereof shall be entitled for payment solely out of the moneys or securities so deposited.

Notwithstanding anything contained in this Section 4.H of this Article III to the contrary, the covenants, liens and pledges contained in this Resolution shall not be fully discharged and satisfied until all obligations owed to the provider(s) of the Reserve Account Credit Facility Substitute have been satisfied.

I. Rule 15c2-12 Undertaking. That in order to assist the initial purchasers of the Bonds of a series that are subject to the Rule with respect to compliance with such Rule, the City undertakes and agrees to provide the information described below to the persons so indicated. The City's undertaking and agreement set forth in this Section 4.I. shall be for the benefit of the registered owners and Beneficial Owners of the applicable series of Bonds.

1. The City undertakes and agrees to provide to each NRMSIR and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (i) the City general purpose financial statements generally consistent with the financial statements presented in the official statement relating to the subject Bonds (herein the "Official Statement"), and (ii) update of the information concerning the Non-Ad Valorem Revenues set forth in such Official Statement, to the extent such information is not included in the City's general purpose financial statements referred to in clause

(i) above. The information referred to in clauses (I) and (II) is herein collectively referred to as the "Annual Information."

2. The Annual Information described in clause (i) of paragraph 1 above in audited form (for as long as the City provides such financial information in audited form) is expected to be available on or before March 31 of each year for the fiscal year ending on the preceding September 30, commencing not less than 90 days after the issuance of each series of Bonds which are subject to the Rule. The Annual Information referred to in clause (i) of paragraph 1 above in unaudited form (if the audited financial statements are not available or if the City no longer provides such financial information in audited form) will be available on or before March 31 for the fiscal year ending on the preceding September 30. The City also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Bonds who request such information and pays to the City its costs of reproduction and transmission of such Annual Information. The City agrees to provide to each NRMSIR and the SID, if any, timely notice of its failure to provide the Annual Information. Such notice shall also indicate the reason for such failure and when the City reasonably expects such Annual Information will be available.

3. The Annual Information referred to in clause (i) of paragraph 1 above and presented in the Official Statement will be prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

4. if, as authorized by paragraph 6 below, the City's undertaking with respect to paragraph 3 above requires amending, the City undertakes and agrees that the Annual Information described in clause (i) of paragraph 1. above for the fiscal year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described in paragraph 3 above. The City agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

5. The City undertakes and agrees to provide, in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board and to the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- a. principal and interest payment delinquencies;
- b. non-payment related defaults;
- c. unscheduled draws on the Reserve Account reflecting financial difficulties;
- d. unscheduled draws on credit enhancements reflecting financial difficulties;
- e. substitution of credit or liquidity providers, or their failure to perform;
- f. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- g. modifications to rights of Bondholders;
- h. Bond calls (other than scheduled mandatory sinking fund redemptions);

- i. defeasances of the Bonds;
- j. release, substitution, or sale of property securing repayment of the Bonds; and
- k. rating changes.

Notwithstanding the foregoing, notice of the events described in clause h. and i. above need not be given any earlier than the time notice is required to be given to the registered owners of the Bonds.

6. Notwithstanding any other provision of this Resolution to the contrary regarding amendments or supplements, the City undertakes and agrees to amend and/or supplement this Section 4.I (including the amendments referred to in paragraph 4 above) only if:

- a. The amendment or supplement is made only in connection with a change in circumstances existing at the time the Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule or (iv) a change in the nature of the City's operations or the activities that generate Non-Ad Valorem Taxes;
- b. The City's undertaking, as amended, would have complied with the requirements of the Rule at the time the Bonds were originally issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- c. The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Bonds as determined by Bond Counsel or by a majority of the registered owners of the Bonds.

In the event of an amendment or supplement under this Section 4.I, the City shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

7. The City's Undertaking as set forth in this Section 4.I shall terminate if and when the Bonds are paid or deemed paid within the meaning of Section 4.H. of this Article III.

8. The City acknowledges that its Undertaking pursuant to the Rule set forth in this Section 4.I is intended to be for the benefit of the registered holders and Beneficial Owners of the Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of this Undertaking shall not be or constitute a covenant or monetary default with respect to the Bonds under this Resolution.

9. The City reserves the right to satisfy its obligations under this Section 4.I through agents; and the City may appoint such agents without the necessity of amending this Resolution. The City may also appoint one or more employees of the City to monitor and be responsible for the City's Undertaking hereunder.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. MODIFICATION OR AMENDMENT. Except as otherwise provided in Section 4.1 of Article III of this Resolution, no material modification or amendment of this Resolution or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the Owners of two-thirds or more in principal amount of the Bonds then outstanding affected by such modification or amendment; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or affecting the unconditional promise of the City to pay the interest of and principal on the Bonds, as the same mature or become due, from the Pledged Revenues, or reduce such percentage of Owners or such Bonds required above for such modification or amendment, without the consent of the Owners of all the Bonds affected by such modification or amendments.

In addition to the provisions of Section 4.1 of Article III of this Resolution regarding amendments to the City's Undertaking, this Resolution may be amended, changed, modified and altered without the consent of the Owners of Bonds, (i) to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, (ii) to provide other changes which will not adversely affect the interest of such Owners, (iii) to implement a Credit Facility or a Reserve Account Credit Facility Substitute, (iv) to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, (v) to secure or maintain a rating on the Bonds, or (vi) to implement or discontinue a Book-Entry System.

For purposes of this Section 1 of Article IV, to the extent the Bonds of a series are secured by a Credit Facility and such Bonds are then rated in as high a rating category in which such Bonds were rated at the time of initial issuance and delivery thereof, by the

applicable Rating Agency or Agencies, then the consent of the Credit Facility issuer shall constitute the consent of the Holders of the Bonds provided such Credit Facility issuer is not in default under the Credit Facility. The City shall provide to S&P, Moody's, and FITCH (with respect to any series of Bonds that are then rated by these entities and such entities so require copies of each amendment) a copy of each amendment to this Resolution.

Section 2. PURCHASE OF BONDS. The City may at any time purchase any of the Bonds at prices not greater than the par amount and accrued interest to the date of purchase. If the City shall purchase Term Bonds in excess of the sinking fund requirement for such year such excess of Term Bonds so purchased shall at the option of the City either be credited on a pro-rata basis over the remaining sinking fund installment dates for such Term Bonds or credited against the following year's installment requirement.

Section 3. NOTICES TO CREDIT FACILITY ISSUER. The City shall provide to the Credit Facility Issuer all copies of notices sent or given pursuant to the terms and provisions of this Resolution.

Section 4. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions of the Resolution or of the Bonds issued hereunder.

Section 5. CREDIT FACILITY ISSUER; DEFAULT. Notwithstanding any of the provisions of this Resolution to the contrary, all of the rights of the Credit Facility Issuer granted herein, shall be null and void if the Credit Facility Issuer is in default under the Credit Facility.


Section 6. SALE OF BONDS. The Bonds shall be issued and sold at one time, or from time to time, in such manner and at such price or prices consistent with the requirements of this Resolution as the Commission shall hereafter determine by subsequent proceedings.

Section 7. PRELIMINARY OFFICIAL STATEMENT. The City is hereby authorized to distribute a preliminary official statement in connection with any series of Bonds to be sold other than on a private placement basis. Prior to such distribution, the Mayor, Vice Mayor, City Manager or Finance Director are each hereby authorized to deem such preliminary official statement relating to the Bonds "final" within the meaning of the Rule as of its date, except for certain "permitted omissions" as defined therein.

Section 8. BOND ANTICIPATION NOTES AND BANK OBLIGATIONS. The City may, if it determines it to be in its best financial interest, issue its bond anticipation notes in order to temporarily finance the costs of any of Projects as provided in this Resolution. The City shall by proper proceedings authorize the issuance and establish the details of such bond anticipation notes pursuant to the provisions of Section 215.431, Florida Statutes, as amended. In connection with such bond anticipation notes, the City is hereby authorized to enter into line of credit agreements, loan agreements or similar arrangements (collectively referred to as "Financing Agreement") with banks or similar financial institutions for the purpose of financing the costs of any Project. The City is authorized to issue one or more bond anticipation notes to such banks or financial institutions to evidence its obligation to repay loans made under such Financing Agreements. The City is further authorized to issue Bonds that do not constitute bond anticipation notes, pursuant to the terms and provisions of this Resolution and subsequent proceedings of the Commission to evidence loans made to the City by banks or similar financial institutions to finance or refinance Projects.

Section 2. EFFECTIVE DATE. This Resolution shall take effect immediately.

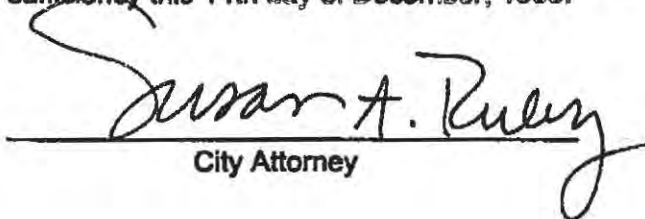
CITY OF DELRAY BEACH, FLORIDA

By: 
Mayor
Date: December 14, 1999

ATTEST:


City Clerk

The foregoing resolution is hereby approved by me
as to form, language, execution and legal
sufficiency this 14th day of December, 1999.


City Attorney

MEMORANDUM

To: City Commission

From: David T. Harden, City Manager *DM*

Subject: Proposed \$4,000,000 Revenue Note (Communication Equipment)
Resolution No. R 76-99 and Resolution No. R 77-99

Date: December 9, 1999

Resolution Number 76-99 authorizes the issuance of Revenue Bonds from time to time. This resolution is the basis for future bond issues and bank notes that will use a covenant to budget and appropriate funding for any debt service due and payable. It sets forth the requirements with respect to terms, payment and disclosure. The security for future financings is a lien on available non-advalorem revenues.

Resolution Number 77-99 authorizes the City to execute a Note Agreement with SunTrust in the amount of \$4,000,000 at a rate of 5.0196% for an approximate 15 year term. The note will be issued for the purpose of financing the cost of consultation, design, engineering, construction and equipping of an 800 MHz digital radio system (the "Radio System"). The Finance Department has provided an analysis of bids received and a recommendation to approve the agreement with SunTrust at the lowest bidding rate. The agreement will allow for prepayment at any time without penalty if rates are higher at the time of prepayment and a penalty if rates are lower. The penalty equates to bringing the Bank up to its quoted rate. The agreement will protect the City against rate changes caused by amendments to the tax laws.

I concur with their recommendation.

c: R.S. O'Connor, Treasurer

Agenda Item No.: 96+H

AGENDA REQUEST

Date: December 9, 1999

Request to be placed on:

x Regular Agenda _____ Special Agenda _____ Workshop Agenda

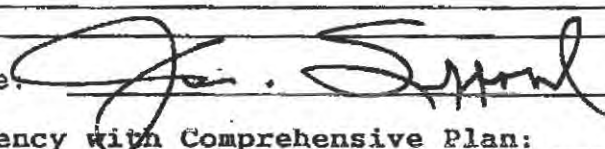
When: December 9, 1999

Description of agenda item (who, what, where, how much):

1.) Approve Resolution #76-99 approving a master resolution for future revenue bonds requiring a covenant to pledge and appropriate annually any debt service due and payable and 2.) approve Resolution 77-99 approving a \$4,000,000 bank note with SunTrust for an approximate 15 year term at a rate of 5.0196% for the purpose of funding the 800 MHz radio system.

ORDINANCE/ RESOLUTION REQUIRED: YES/NO Draft Attached: YES/NO

Recommendation: Approve the above.

Department Head Signature: 

Determination of Consistency with Comprehensive Plan: _____

City Attorney Review/ Recommendation (if applicable): _____

Budget Director Review (required on all items involving expenditure of funds):

N/A

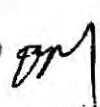
Funding available: YES/ NO

Funding alternatives: _____ (if applicable)

Account No. & Description: _____

Account Balance: _____

City Manager Review:

Approved for agenda: YES/ NO 

Hold Until: _____

Agenda Coordinator Review:

Received:

Action:

Approved/Disapproved

RESOLUTION NO. 47 - 17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY COMMISSION OF DELRAY BEACH, FLORIDA; AUTHORIZING THE ISSUANCE OF ITS NOT-TO-EXCEED \$31,500,000 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2017, PURSUANT TO THE HEREIN DESCRIBED "AUTHORIZING RESOLUTION," TO FINANCE THE COST OF CERTAIN INFRASTRUCTURE PROJECTS IN THE CITY; APPROVING THE AWARD OF THE SERIES 2017 BONDS TO BANC OF AMERICA PREFERRED FUNDING CORPORATION BY NEGOTIATED SALE; FIXING THE PARAMETERS FOR THE, MATURITY, INTEREST RATE AND OTHER DETAILS WITH RESPECT TO THE SERIES 2017 BONDS; DESIGNATING THE FINANCE DEPARTMENT OF THE CITY AS THE PAYING AGENT AND REGISTRAR FOR THE SERIES 2017 BONDS; PROVIDING ADDITIONAL COVENANTS TO BE COMPLIED WITH BY THE CITY; PROVIDING FOR AMENDMENTS TO THE AUTHORIZING RESOLUTION; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City Commission (the "City Commission") of the City of Delray Beach, Florida (the "City") has, by Resolution No. R-76-99, duly adopted on December 14, 1999 (the "Authorizing Resolution"), authorized the issuance of its Bonds in one or more Series, and now desires to issue pursuant to the Authorizing Resolution its not-to-exceed \$31,500,000 Capital Improvement Revenue Bonds, Series 2017 (the "Series 2017 Bonds") in one or more series, as more particularly described herein; and

WHEREAS, the City desires to amend and supplement the Authorizing Resolution by adoption of this Resolution (the "Supplemental Resolution, and together with the Authorizing Resolution, the "Resolution"); and

WHEREAS, the City hereby finds that the present favorable rates in the municipal bond market and the present volatility of such rates require that the terms of the Series 2017 Bonds be negotiated at private sale rather than offered by competitive bid at a public sale, and therefore has determined to sell the Series 2017 Bonds at a private, negotiated sale; and

WHEREAS, the City, through its Financial Advisor, PFM Financial Advisors LLC (the "Financial Advisor"), disseminated a Request for Proposals dated May 19, 2017, requesting offers to provide to the City a fixed-rate term loan (the "RFP"); and

WHEREAS, Bank of America, N.A. has provided to the City an offer for its affiliate Banc of America Preferred Funding Corporation (the "Lender") to purchase the Series 2017 Bonds, which offer is attached as Exhibit "A" hereto (the "Offer") which, based on the

recommendation of the Financial Advisor and subject to the "Parameters" (as defined herein), provides the overall borrowing cost and terms most favorable to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF DELRAY BEACH, FLORIDA, THAT:

SECTION 1. RECITALS; DEFINITIONS.

The foregoing recitals are hereby affirmed and ratified. All capitalized terms used in this Supplemental Resolution shall have the meaning ascribed to such terms in the Authorizing Resolution unless the context otherwise requires.

SECTION 2. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2017 BONDS; PARAMETERS.

The City hereby authorizes the issuance of Bonds in one or more Series pursuant to the Authorizing Resolution in the aggregate principal amount not to exceed \$31,500,000 to be known as the "City of Delray Beach, Florida, Capital Improvement Revenue Bonds, Series 2017" for the purpose of providing funds that, together with other available funds of the City, will be used to finance the costs of all or a portion of the cost of certain capital improvement projects identified by the City, or such other or additional capital improvement projects as the City may determine to undertake (collectively, the "Series 2017 Project").

For purposes of this Resolution, the "Parameters" shall be as follows: (i) the original aggregate principal amount of the Series 2017 Bonds shall not exceed \$31,500,000; (ii) the true interest cost rate per annum on the Series 2017 Bonds shall not exceed 2.25%, subject to adjustment in the event of taxability or default; (iii) the maximum annual debt service on the Series 2017 Bonds shall not exceed \$3,600,000; (iv) the final maturity date of the Series 2017 Bonds shall not be later than October 1, 2026; (v) the purchase price of the Series 2017 Bonds shall not be less than 100% of the original aggregate principal amount thereof; and (vi) the maturity or sinking fund redemption schedule for the Series 2017 Bonds shall provide for principal payments in such amounts as will result in roughly equal annual debt service payments. A certificate of the Financial Advisor stating that the Series 2017 Bonds are within the parameters shall be conclusive evidence that such parameters have not been exceeded.

The Series 2017 Bonds will be issued as one (1) typewritten certificate in fully registered form without coupons, shall be numbered R-1, and shall be dated the date of their issuance. Interest will be calculated based upon a 360-day year consisting of 12 thirty day months. Principal of and interest on the Series 2017 Bonds shall be paid by wire transfer by the Paying Agent without presentation of the Series 2017 Bonds to the address or account provided to the Paying Agent by the Holder of the Series 2017 Bonds. Alternatively, if agreed upon in writing by the City and the Holder, payment of principal and interest may be made by direct debit of an account of the City. The Record Date with respect to the Series 2017 Bonds shall be the day preceding each interest payment date, whether or not such day is a Business Day (as defined in the form of Series 2017 Bond

attached as Exhibit "B" hereto), notwithstanding the provisions of the Authorizing Resolution to the contrary.

As further provided in the Series 2017 Bonds, accrued interest on the Series 2017 Bonds will be payable on April 1 and October 1 of each year, beginning October 1, 2017. As further provided in the Series 2017 Bonds, the principal of the Series 2017 Bonds will be payable on October 1 of each year, with the first installment due October 1, 2017.

Notwithstanding the form of Bond set forth in the Authorizing Resolution, the Series 2017 Bonds shall be in substantially the form attached as Exhibit "B" hereto, with such omissions, insertions and variations as may be necessary and desirable, as evidenced by the City's execution thereof. Registration and transfer of the Series 2017 Bonds shall not be by the Book-Entry System.

The Series 2017 Bonds and the Resolution shall supersede all prior agreements between the City and the Holder, including, but not limited to, the provisions of the Offer. If the terms of the Series 2017 Bonds conflict with the terms of the Resolution or of the Offer, the terms of the Series 2017 Bonds shall control.

SECTION 3. APPROVAL OF RFP; AWARD OF THE SERIES 2017 BONDS BY NEGOTIATED SALE.

The City hereby approves the use and distribution of the RFP by the Financial Advisor on behalf of the City in connection with the award of the Series 2017 Bonds. The City hereby finds, determines, and declares that because of the size, nature, and maturity of the Series 2017 Bonds and the prevailing market conditions, the negotiated sale of the Series 2017 Bonds to the Lender in substantial accordance with the Offer, based on the recommendation of the Financial Advisor, provides the overall borrowing cost and terms most favorable to the City, and therefore the City awards the Series 2017 Bonds to the Lender. The Lender will provide the City with the information required by Section 218.385, *Florida Statutes*, in connection with the negotiated sale of the Series 2017 Bonds.

SECTION 4. USE OF PROCEEDS.

All of the proceeds of the Series 2017 Bonds shall be deposited into the Construction Fund created by the Authorizing Resolution and used to pay the cost of the Series 2017 Project, including the costs of issuance of the Series 2017 Bonds. There shall be no funding of a Reserve Account with respect to the Series 2017 Bonds.

SECTION 5. EXECUTION OF SERIES 2017 BONDS AND AUTHORIZATION OF ALL OTHER NECESSARY ACTION.

The proper officers of the City are hereby authorized and directed to execute the Series 2017 Bonds when prepared and deliver the same to the Lender. The Mayor, the Clerk and any other proper officers of the City, the Financial Advisor and Greenspoon Marder, P.A., Bond Counsel for the City, are each designated agents of the City in

connection with the issuance and delivery of the Series 2017 Bonds and to execute and deliver any and all instruments, documents, and contracts on behalf of the City that are necessary or desirable in connection with the execution and delivery of the Series 2017 Bonds and that are not inconsistent with the terms and provisions of this Resolution and other actions relating to the Series 2017 Bonds heretofore taken by the City, including, but not limited to, an agreement locking the interest rate on the Series 2017 Bonds until the closing date.

SECTION 6. DESIGNATION OF PAYING AGENT AND REGISTRAR.

The Finance Department of the City is hereby designated and approved as the Paying Agent and Registrar for the Series 2017 Bonds.

SECTION 7. REDEMPTION.

The Series 2017 Bonds shall be subject to redemption prior to maturity at the time or times, at the redemption price or prices, and upon such terms as are set forth in the form of Series 2017 Bond attached hereto as Exhibit "B."

SECTION 8. ADDITIONAL COVENANTS OF THE CITY RELATING TO THE SERIES 2017 BONDS.

A. Notwithstanding anything in Article IV, Section 1 of the Authorizing Resolution to the contrary, so long as the Series 2017 Bonds are Outstanding, no modification or amendment to the Authorizing Resolution shall be effective without the written consent of the Holder.

B. The City shall provide the Lender with (i) the City's annual audited financial statements within 270 days after the end of each Fiscal Year, beginning with the Fiscal Year ending September 30, 2017, and (ii) within thirty (30) days after request such other financial information as the Lender may reasonably request.

C. In addition to the covenant set forth in Article III, Section 4E of the Authorizing Resolution (until that section is amended pursuant to Section 9A hereof), the City may incur additional debt secured by or payable from all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues, other than water and sewer revenues, for the most recently ended Fiscal Year for which audited financial statements are available were at least 1.50 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the City's most recent audited financial statements and the debt proposed to be incurred) to be paid from Non-Ad Valorem Revenues other than water and sewer revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

For purposes of calculating maximum annual debt service, if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on

such Variable Rate Debt shall be deemed to bear interest as provided in the third paragraph of Article III, Section 4E of the Authorizing Resolution, with the last sentence of said paragraph disregarded.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize over 20 years on a level debt service basis. In the event that the City is required to fund a deposit to the Reserve Account of the Debt Service Fund or, in the case of Debt not issued under the Authorizing Resolution, a reserve fund, the funding of the Reserve Account or such reserve fund shall be included in the calculation of debt service. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one Fiscal Year.

D. The City shall not issue any debt pursuant to the Authorizing Resolution that is secured by a Credit Facility without the prior written consent of the Lender, unless the Credit Facility Issuer waives its right under Article IV, Section 4G of the Authorizing Resolution to exercise remedies under said section in lieu of the Owners of the Bonds secured by such Credit Facility.

E. Any one or more of the following events shall be an "Event of Default":

(i) the City shall fail to pay the principal of or interest on the Bonds within ten (10) days of when due;

(ii) the City shall (a) fail to duly and punctually perform of any of its covenants, conditions, agreements and provisions contained in the Series 2017 Bonds or in the Resolution, and (b) if and only if such failure is capable of being cured, such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the City by the Registered Owner, or the Registered Owner is notified of such failure, whichever is earlier; provided that such failure described in this subparagraph (ii) shall not be an Event of Default if the City commences such action as is necessary to cure the same within such 30 day period and carries out such action with due diligence to completion.

(iii) any representation or warranty made in writing by the City in the Resolution or the Series 2017 Bonds shall prove to be false or incorrect in any material respect on the date made or reaffirmed;

(iv) the City shall (a) admit in writing its inability to pay its debts generally as they become due, (b) file (or have filed against it and not dismissed within 90 days) a petition in bankruptcy or take advantage of any insolvency act, (c) make an assignment for the general benefit of creditors, (d) consent to the appointment of a receiver for itself or for the whole or any substantial part of its property, or (e) be adjudicated a bankrupt; or

(v) the City fails to promptly remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations under the Resolution and the Series 2017 Bonds; or

(vi) a monetary judgment is entered against the City obligating the City to pay an amount in excess of \$1,000,000 that is not covered by insurance, unless the City files, within sixty (60) day of the entry of said final judgment, an appeal that has the effect of staying same; or

(vii) the City fails to pay the principal of or interest on (a) any Bonds or any other indebtedness of the City secured by a covenant to budget and appropriate Non-Ad Valorem Revenues or by a pledge of a specific source of Non-Ad Valorem Revenues, or (b) any other indebtedness of the City to the Lender, within ten (10) days of when due; or

(viii) to the extent the City has rated general obligation debt outstanding, the rating on any of the City's general obligation debt falls below investment grade by any nationally recognized statistical rating agency.

While any of the above shall have occurred and continue to be in effect, the interest rate on the Series 2017 Bonds shall increase by 6% (the "Default Rate"), and the Lender shall have the right to enforce and compel performance in the manner permitted by Article III, Section 4G of the Authorizing Resolution.

SECTION 9. AMENDMENTS TO AUTHORIZING RESOLUTION.

The Authorizing Resolution is amended as follows; provided, that such amendments shall only take effect when either (a) the Owners of the City's Revenue Refunding and Improvement Bonds, Series 2003 and the City's Revenue Bonds, Series 2000 (collectively, the "Prior Bonds") consent in writing to such amendments, or (b) the Prior Bonds are no longer Outstanding:

A. Article III, Section 4E of the Authorizing Resolution is amended in its entirety to read as follows:

E. **Additional Debt of the City Payable from Non-Ad Valorem Revenues.**

The City may incur additional debt secured by or payable from all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues, other than water and sewer revenues, for the most recently ended Fiscal Year for which audited financial statements are available were at least 1.50 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the City's most recent audited financial statements and the debt proposed to be incurred) to be paid from Non-Ad Valorem Revenues other than water and sewer revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

For purposes of calculating maximum annual debt service, if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Bond Buyer Revenue Bond 30-Year Index, or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of the City, or (iii) 6% per annum.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize over 20 years on a level debt service basis. In the event that the City is required to fund a deposit to the Reserve Account of the Debt Service Fund or, in the case of Debt not issued under the Authorizing Resolution, a reserve fund, the funding of the Reserve Account or such reserve fund shall be included in the calculation of debt service. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one Fiscal Year.

B. The third paragraph of Article III, Section 4G of the Authorizing Resolution – Remedies, is deleted in its entirety.

SECTION 10. CONTINUING DISCLOSURE.

The Continuing Disclosure requirements contained in Section 4.I of Article III of the Authorizing Resolution shall not apply to the Series 2017 Bonds.

SECTION 11. WAIVER OF TRIAL BY JURY.

The City, by accepting the proceeds of the Series 2017 Bonds, and the Lender, by acceptance of the Series 2017 Bonds issued hereunder mutually and willingly waive the right to a trial by jury of any and all claims made between them whether now existing or arising in the future, including, without limitation, any and all claims, and intervener's claims, whether arising from or related to negotiations, execution and/or performance of this Resolution or the Series 2017 Bonds.

SECTION 12. REIMBURSEMENT RESOLUTION.

The City may pay for a portion of the costs of the Series 2017 Project before the Series 2017 Bonds are issued in anticipation of the reimbursement of such expenditures from proceeds of the Series 2017 Bonds. In accordance with Section 1.150-2 of the Federal income tax regulations requires an issuer to officially declare its intent to use proceeds of a tax exempt borrowing to reimburse expenditures paid prior to issuance thereof as a prerequisite to the proceeds being treated as used for reimbursement purposes.

To the extent the City has not previously done so, the City hereby declares its reasonable official intention to finance the costs of the Series 2017 Project through the issuance of the Series 2017 Bonds by the City in an amount, at a minimum, that is necessary to finance the costs of the Series 2017 Project, up to a maximum principal amount of \$31,500,000.

SECTION 13. CONFLICTS.

All resolutions in conflict herewith are hereby repealed.

SECTION 14. SEVERABILITY.

If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the ability of the remaining portions of this Resolution.

SECTION 15. EFFECTIVE DATE.

This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 20TH DAY OF JUNE, 2017.


CARY D. GLICKSTEIN, MAYOR

ATTEST:


CITY CLERK

EXHIBIT "A"

OFFER OF BANK OF AMERICA, N.A.



City of Delray Beach, Florida

June 7, 2017

Bank of America 
Merrill Lynch

Summary of Terms and Conditions

Submission date: Date

Parties to the Transaction

Borrower: City of Delray Beach, Florida (the "Borrower" or the "Issuer" or the "Issuer")

Lender: **Bank of America, N.A.** or any other subsidiary of Bank of America Corporation ("BANA" or the "Bank").

The Facility

Facility: Fully funded term loan

Facility Amount: Not to exceed \$31,500,000

Security: The 2017 Bond will be secured by a covenant to budget and appropriate from legally available non-ad valorem revenue. The language as provided in Resolution R-76-99 is acceptable to the Bank. The existing anti-dilution tests shall also apply; however, the required coverage shall be 1.50x.

This term sheet is subject to review of all resolutions, ordinances and other documents that govern the security pledge to the Bank and all such documents shall be acceptable to the Bank and its counsel.

Use of Proceeds: The purpose shall be as provided in the Request for Proposal dated May 27, 2017.

Optional Prepayments and Commitment Reductions:

Prepayments are permitted at any time with three business days' prior notice. All prepayments will be subject to a prepayment penalty as set forth on Exhibit A hereto.

Interest Rates:

Interest Rate: An indicative non bank qualified interest rate as of June 7, 2016 is 1.92. The actual rate shall be set two business days prior to closing utilizing the 61 month interest rate swap for a fixed rate swap with 3 month libor as the floating rate as determined by linear interpolation. The actual rate shall be set utilizing the interest rate swap rate as of the day the rate is set. The Bank shall use Bloomberg to establish such rates. The credit spread shall be 10 basis points.

If for any reason swap rates are no longer listed on Bloomberg, the Bank shall select a comparable platform to determine the interest rate swap rate. The above pricing formula is valid only if the loan is closed on or before July 7, 2017. After July 7, 2017, the formula is subject to change at Bank's sole discretion.

The above interest rate assumes that this is a non bank qualified tax exempt obligation and is subject to a legal opinion acceptable to the Bank and its counsel.

**Repayment Terms/
Maturity Date:**

Interest shall be payable semi-annually on April 1 and October 1, commencing on October 1, 2017. Principal shall be due annually on October 1, commencing October 1, 2017. Interest shall be calculated on a 30/360 day count basis. The amortization shall be as presented in the Request for Proposal. Modification to amortization shall be accepted at Bank's sole discretion.

**Determination of
Taxability:**

Upon a Determination of Taxability with respect to the Facility, the Facility will bear interest from the date that taxability commences at a rate equal to the product of the tax-exempt rate of interest otherwise in effect and the Taxable Rate Factor (currently 1.54).

Determination of Taxability will only include circumstances resulting from the action or inaction of the Issuer (e.g., will not include changes to the Internal Revenue Code).

The Taxable Rate Factor is the amount by which the tax-exempt rate must be multiplied to achieve the equivalent taxable given the highest margin federal corporate tax rate, currently 35%. The Taxable Rate Factor is subject to change should the highest marginal federal corporate tax rate change.

The Borrower is also responsible for payment of any interest, penalties or charges owed by the Lender as a result of interest on the Facility that accrues from becoming includable in the gross income to the Lender, together with any and all attorneys' fees, court costs, or other out-of-pocket cost incurred by the Lender in connection therewith.

A change in the interest rate due to this provision will NOT trigger an exception for the prepayment penalty provision.

Day Count:

Interest of the Facility will be calculated on the basis of twelve 30 day months and a 360 day year.

Default Rate:

During the continuance of any default under the Facility, the interest rate shall be increased by 6 percent.

Other Fees and Expenses

Bank Counsel:

Fixed at \$6,500 plus disbursements

Timing of Payments:

All fees are non-refundable and are payable at closing in immediately available funds.

Other Standard Provisions

Indemnification:

To the extent permitted by law, the Borrower will indemnify and hold harmless BANA and its respective affiliates and its partners, directors, officers, employees, agents and advisors from and against all losses, claims, damages,

liabilities and expenses arising out of or relating to the Facility, the Borrower's use of loan proceeds or the commitment including, but not limited to, reasonable attorneys' fees (including on appeal and including the allocated cost of internal counsel) and settlement costs. This indemnification shall survive and continue for the benefit of all such persons or entities.

Assignment and Participations:	BANA will be permitted to make assignments to other financial institutions and sell participations without the consent of the Borrower.
Waivers / Amendments:	Amendments and waivers of the provisions of the Agreement and other definitive credit documentation will require the approval of BANA. The bank will not agree to amendments to the documents governing the credit facility without its consent.

Choice of Law / Jury Trial / Venue

Governing Law:	This Proposed Term Sheet and any other documents to which the Bank shall become a party will be governed by the laws of the State of Florida.
Jury Trial:	The Issuer agrees, to the extent permitted under applicable law, to waive any right to a trial by jury in any action or proceeding with respect to any dispute or controversy under the Loan Documents.
Venue:	Any litigation involving the Bank shall be brought in the appropriate Florida or United States court having jurisdiction over the matter.

Description of the Basic Documentary Terms and Conditions

Documentation:	Documentation will include, but not be limited to, the terms and conditions outlined herein, as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies.
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Conditions Precedent To Closing:

The closing and the initial extension of credit under the Facility will be subject to satisfaction of the conditions precedent deemed appropriate by the Lender including, but not limited to:

The negotiation, execution and delivery of definitive documentation (including, without limitation, satisfactory legal opinions and other customary closing documents) for the Facility satisfactory to the Lender.

There shall not have occurred any event or condition that has had or could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect. "Material Adverse Effect" means (A) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower and any of their respective subsidiaries, taken as a whole; (B) a material impairment of the rights and remedies of the Lender under any loan documentation, or of the ability of the Borrower to perform its obligations under any loan documentation to which it is a party; or (C) a material adverse effect

upon the legality, validity, binding effect or enforceability against the Borrower of any loan documentation to which it is a party, in each case as determined in the sole discretion of the Lender.

Certified copies of relevant ordinances, resolutions, agreements, contracts, certificates, etc. as requested by the Lender or its counsel.

Other conditions precedent as are customary for a financing of the type contemplated, including payment of fees at closing.

Representations and Warranties:

Usual and customary for transactions of this type including, without limitation, the following: (i) legal existence, qualification and power; (ii) due authorization and no contravention of law, contracts or organizational documents; (iii) governmental and third party approvals and consents; (iv) enforceability; (v) accuracy and completeness of specified financial statements and no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect; (vi) no material litigation; (vii) no default; (viii) ownership of property; (ix) insurance matters; (x) tax matters; (xi) use of proceeds; (xii) accuracy of disclosure; (xiii) no bankruptcy or insolvency; and (xiv) no proposed legal changes which may adversely affect the Facility, the obligations of the Borrower thereunder or the transaction.

Covenants:

Usual and customary for transactions of this type, including, without limitation, the following: (i) timely delivery of audited financial statements, compliance certificates and other information, (ii) notices of default, material litigation, material governmental proceedings or investigations and material changes in accounting or financial reporting practices; (iii) payment of obligations; (iv) preservation of existence; (v) maintenance of properties and insurance; (vi) compliance with laws; (vii) maintenance of books and records; (viii) inspection rights; (ix) use of proceeds; (x) limitations on (A) liens and investments (B) mergers and other fundamental changes, (C) sales and other dispositions of property or assets and (D) use of proceeds.

Reporting Requirements:

Within 270 days after the close of each fiscal year of the Borrower, the Borrower shall provide complete audited financial statements of the Borrower. In addition upon request by BANA, the Borrower shall provide the board authorized budget and any such other information as the BANA may reasonable request.

Events of Default:

Usual and customary in transactions of this type including, without limitation, the following: (i) nonpayment of principal, interest, fees or other amounts; (ii) failure to perform or observe covenants set forth in the loan documentation; (iii) any representation or warranty proving to have been incorrect when made or confirmed; (iv) cross-default to other debt secured by a covenant to budget and appropriate from legally available non-ad valorem revenues (v) bankruptcy, insolvency, debt moratorium, etc.; (vi) monetary judgment defaults in an amount to be agreed and material non-monetary judgment defaults; (vii) actual or asserted invalidity or impairment of any loan documentation.

Remedies:

The Bank may, among other things, cause the Default Rate to apply to all

outstanding obligations of the Borrower to the Bank and pursue any other remedies to which it is entitled under the Agreement, at law or in equity. For any payment that is more than 15 days late, the Bank may impose a late fee equal to 4% of the amount of the late payment.

The existing Resolution R-76-99 Section G (paragraph 3) provides a provision in which the exercise of any remedy is subject to the consent of the Credit Facility Issuer. The Bank will not agree to this provision.

Downgrade of the City's General Obligation debt below investment grade shall trigger the default rate.

Contacts

Bank of America, N.A. (BANA):

Name: Holly Kuhlman
Title: Senior Vice President

Address: 9128 Strada Place, Suite 10110
Naples, Florida 34103

Telephone: (239) 598-8805
email: Holly.kuhlman@bami.com

Bank Counsel:

Bank Counsel: Mark Raymond
Address: 4360 Northlake Blvd, Suite 204
Palm Beach Gardens, Florida 33418
Telephone: (561) 775-8440
email: Mark.raymond@mraymondllaw.com

Proposed Terms and Conditions Subject to Certain Events

This Summary of Terms is intended only as an outline of certain of the material terms of the Facility and does not purport to summarize all of the conditions, covenants, representations, warranties and other provisions that would be contained in definitive documentation for the Facility contemplated hereby. This Summary of Terms is not a commitment. It represents a willingness on the part of BANA to seek approval to provide the commitment indicated herein and consummate a transaction based upon the terms and conditions outlined in this term sheet and is subject to:

Final credit approval (see "Credit Process Timeframe" below),

Absence of any material adverse change in the financial condition, operations or prospects of the Borrower, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the sole discretion of BANA,

Such additional due diligence as the Lender may require, and

Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).

Credit Process: The credit process will take 10 business days from the point at which the Bank is officially awarded the transaction and has in its possession all materials necessary to undertake a full credit analysis.

Expiration: Consideration of a financing based on the terms and conditions presented in this term sheet shall automatically expire 15 days from the date hereof.

If the Bank issues a commitment, the Bank reserves the right to terminate, reduce or otherwise amend its commitment if the subject transaction is not closed within 90 days of the receipt of a signed term sheet.

Future Modifications: The terms, conditions, pricing levels and fees (including legal fees and expenses) cited herein reference the financing and the Facility Amount as described in this Summary of Terms and Conditions and are subject to revision in the event that (i) the Facility Amount changes, (ii) the security or transaction structure is modified, (iii) the transaction deviates materially from what was initially described in the RFP or in conjunction therewith, (iv) the proposed financing does not close within 90 days of acceptance by the Borrower.

No Advisory or Fiduciary Role

This proposal is submitted in response to your Request for Proposals dated May 17, 2017. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (Rule 15Ba1-1 et seq.).

In submitting this proposal, we are not undertaking to act as a "municipal advisor" to you or any other person within the meaning of Section 15B of the Securities Exchange Act of 1934 and the Rules. In connection with this proposal and the transactions described herein, we are not acting as a financial advisor or municipal advisor to you or any other person, and are not subject to any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors in connection with your evaluation of this proposal and the transactions described herein.

The Issuer acknowledges and agrees that: (i) the transaction contemplated by this Summary of Terms and Conditions is an arm's length, commercial transaction between the Issuer and the Bank in which the Bank is acting solely as a principal and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the Issuer; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank

has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Bank has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Summary of Terms and Conditions; and (v) the Bank is not recommending that the District take an action with respect to the transaction contemplated by this Summary of Terms and Conditions, and before taking any action with respect to the contemplated transaction, Issuer should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to Issuer, Issuer is free to engage a municipal advisor to serve in that capacity. This Summary of Terms and Conditions is provided to Issuer pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 *et seq.*

Agreement by the Borrower

The Borrower hereby agrees to engage Bank of America to provide the Facility, which is the subject hereof, pursuant to the terms and conditions stated herein.

Please evidence your agreement with the foregoing by signing and returning a copy of the document to Bank of America.

Accepted and Agreed to:

By: _____ Date: _____

Exhibit A

The Borrower may prepay the credit in full or in part at any time.

The prepayment will be applied to the most remote payment of principal due under this Agreement. Each prepayment, whether voluntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and a prepayment fee calculated by the Bank.

The prepayment fee will be equal to the present value (discounted by the Reinvestment Rate) of the difference, if positive, between:

(a) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to X^* plus 25 basis points, as if the prepayment had not been made, less

(b) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made.

The following definitions will apply to the calculation of the prepayment fee:

(i) "Reinvestment Rate" means with respect to each prepaid installment of principal, the Swap Rate on the date the prepayment fee is calculated by the Bank for a term corresponding to the period of time remaining until such principal installment was scheduled to be paid, interpolated on a linear basis, if necessary, and

(ii) "Swap Rate" means, as of any date, the offered U.S. Dollar interest rate swap rate that a fixed rate receiver would receive in return for paying a floating rate equal to the three month Libor determined by the Bank on such date by reference to the Bloomberg service or such other similar data source then used by the Bank for determining such rate.

**** X will approximate the Swap Rate for a swap with a scheduled notional amount at all times equal to the scheduled principal of the bonds/notes determined on the date the interest rate was fixed by Bank. This rate is provided by the Bank prior to closing of the transaction and is not subject to future modification.**

EXHIBIT "B"

FORM OF SERIES 2017 BOND

No. R-1

\$31,500,000.00

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF DELRAY BEACH
CAPITAL IMPROVEMENT REVENUE BOND,
SERIES 2017

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
_____%	October 1, 2026	June __, 2017

Registered Owner: BANC OF AMERICA PREFERRED FUNDING CORPORATION

Principal Amount: THIRTY ONE MILLION FIVE HUNDRED THOUSAND
AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City"), for value received, hereby promises to pay, from the Pledged Revenues hereinafter mentioned, to the Registered Owner or registered assigns, the Principal Amount stated hereon with interest thereon at the Interest Rate set forth above (subject to adjustment as herein provided), principal and interest being payable on the dates set forth below, until the City's obligation with respect to the payment of such Principal Amount shall be discharged. Principal of and interest on this Bond is payable by wire transfer to the Holder to the domestic bank account number on file with the Finance Department of the City (in its capacity as Paying Agent) as of the Record Date, the name and address (such address being the "Payment Office") of such Holder which shall appear on the registration books maintained by the City (in its capacity as Registrar) at the close of business on the day preceding each interest payment date, whether or not such day is a Business Day (the "Record Date"). Alternatively, if agreed upon in writing by the City and the Registered Owner, while Banc of America Preferred Funding Corporation is the Registered Owner, payment of principal and interest shall be made by direct debit by the Registered Owner of an account of the City designated by the City. Such interest shall be payable from the most recent interest payment date next preceding the date hereof to which interest has been paid, unless the date hereof is an April 1 or October 1 to which interest has been paid, in which case from the date hereof, or unless the date hereof is prior to October 1, 2017, in which case from the date hereof.

Accrued interest on this Bond will be payable on April 1 and October 1 of each year, beginning October 1, 2017. The principal of this Bond will be payable in accordance with the following schedule:

<u>Date</u>	<u>Principal Amount Due</u>
October 1, 2017	\$
October 1, 2018	
October 1, 2019	
October 1, 2020	
October 1, 2021	
October 1, 2022	
October 1, 2023	
October 1, 2024	
October 1, 2025	
October 1, 2026	*

* Or if greater, all outstanding and unpaid principal.

Any payment due on a day which is not a Business Day may be made on the next succeeding Business Day but interest shall continue to accrue and shall be payable on such next succeeding Business Day.

The principal of and interest on this Bond is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts. All payments hereon shall be applied first to interest, then to amounts owed to the Registered Holder other than principal, and last to principal.

Default and Late Payment Rates

During the continuance of an Event of Default this Bond shall bear interest at the Default Rate (as defined in the Resolution) and, for any payment that is more than fifteen (15) days late, the Registered Owner may impose a late fee equal to four percent (4%) of the late payment.

Increase in Interest Rate upon a Determination of Taxability

The following definitions shall apply to this Bond:

- (1) "Code" means the Internal Revenue Code of 1986, as amended.
- (2) "Determination of Taxability" shall mean the circumstance that interest paid or payable on this Bond becomes includable for federal income tax purposes in the gross income of the Registered Holder as a consequence of any act or omission of the City. A Determination of Taxability will be deemed to have occurred upon (a) the receipt by the City or the Registered Owner of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on this Bond is

includable in the gross income of the Registered Owner or (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on this Bond is includable in the gross income of the Registered Owner. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on this Bond is deemed includable in the gross income of the Registered Owner. A Determination of Taxability shall not occur solely as a result of such interest being taken into account in determining adjusted current earnings for the purpose of the alternative minimum tax imposed on corporations.

(3) "Maximum Corporate Tax Rate" shall mean the highest marginal rate of United States federal income tax applicable to the taxable income of corporations, without regard to any increase in tax designed to normalize the rate for all income at the highest marginal tax rate, which rate on the date hereof is 35%.

Upon the occurrence of a Determination of Taxability, the Interest Rate shall be adjusted to a rate per annum equal to the rate otherwise borne hereby divided by one minus the Maximum Corporate Tax Rate in effect as of the date of the Determination of Taxability (the "Adjusted Interest Rate"), as of and from the date such determination would be applicable with respect to this Bond (the "Accrual Date") and (i) the City shall, from the sources hereinafter provided and not otherwise, immediately pay on demand to the Registered Owner an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Bond at the Adjusted Interest Rate from the Accrual Date to the date of such demand for payment, and (B) the actual interest paid by the City on this Bond from the Accrual Date to the date of such demand for payment, and (2) any loss, cost, charge or expense suffered by such Registered Owner arising out of the Determination of Taxability, including without limitation amounts of interest and penalties required to be paid as a result of any additional state and federal income taxes by such Registered Owner as a result of such Determination of Taxability; and (ii) from and after the date of such demand for payment, this Bond shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Bond. The adjustment provided for in this paragraph shall survive the payment of this Bond until the expiration of the statute of limitations under which the interest on this Bond could be required to be included in the gross income of the registered owner thereof for federal income taxes purposes.

Provided, however, that notwithstanding any of the adjustments in the Interest Rate described above, the Interest Rate shall never exceed the maximum rate allowed by law.

Prepayment

This Bond may be prepaid by the City at any time, in whole or in part, upon providing three (3) Business Days' notice to the Registered Owner of the City's intent to prepay. Partial prepayments shall be applied against principal in inverse order of maturity, unless otherwise agreed upon in writing by the City and the Registered Owner. The amount to be prepaid shall be equal to the principal amount to be prepaid plus accrued interest to the date of prepayment, plus the "prepayment fee" described below.

The prepayment fee will be equal to the present value (discounted by the Reinvestment Rate) of the difference, if positive, between:

- (a) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to ____% [swap rate plus 25 bps], as if the prepayment had not been made, less
- (b) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made.

The following definitions will apply to the calculation of the prepayment fee:

(i) "Reinvestment Rate" means with respect to each prepaid installment of principal, the Swap Rate on the date the prepayment fee is calculated by the Registered Owner for a term corresponding to the period of time remaining until such principal installment was scheduled to be paid, interpolated on a linear basis, if necessary, and

(ii) "Swap Rate" means, as of any date, the offered U.S. Dollar interest rate swap rate that a fixed rate receiver would receive in return for paying a floating rate equal to the three month Libor determined by the Registered Owner on such date by reference to the Bloomberg service or such other similar data source then used by the Registered Owner for determining such rate.

This Bond is the entire authorized issue of the City's Capital Improvement Revenue Bonds, Series 2017 (herein called the "Bonds"), in the aggregate principal amount of \$31,500,000, issued for the purpose of financing the cost of the Series 2017 Project (as defined in the Resolution hereinafter referred to) under the authority of and in full compliance with the Constitution, the City Charter, as amended and supplemented, and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended and supplemented and other applicable provisions of law, and Resolution R-76-99, duly adopted by the City Commission of the City (the "City Commission") on December 14, 1999, as amended and supplemented by Resolution R - __ - 17 duly adopted by the City Commission on June 20, 2017 (herein collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

This Bond is payable from and secured by a lien upon and pledge of the Pledged Revenues, all in the manner provided in the Resolution.

"Pledged Revenues" means: (a) the Non-Ad Valorem Revenues deposited in the Debt Service Fund created and established under the Resolution, (b) investment income received from the investment of moneys in the Debt Service Fund and accounts established thereunder; and (c) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with repayment of the Bonds.

"Non-Ad Valorem Revenues" means legally available revenues of the City derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment by the City.

"Business Day" means any day other than a Saturday or Sunday or day on which the Payment Office of the Registered Owner is lawfully closed.

Until all of the Bonds are paid or deemed paid pursuant to the provisions of the Resolution, the City has covenanted to appropriate in its annual budget, by amendment if required, in each Fiscal Year, Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become and payable. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

To the extent that the City is in compliance with the covenants contained in the Resolution, and has budgeted and appropriated in each Fiscal Year, Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, the Resolution and the obligations of the City contained therein shall not be a limitation on the ability of the City pledge or covenant to pledge its Non-Ad Valorem Revenues for other legally permissible purposes.

THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED FOR PAYMENT OF THIS BOND, AND THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTIONAL, STATUTORY OR OTHER PROVISION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS BOND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND OR THE MAKING OF RESERVE, IF ANY, AND SINKING FUND PAYMENTS PROVIDED FOR IN THE RESOLUTION.

IT IS FURTHER AGREED BETWEEN THE CITY AND THE HOLDER OF THIS BOND THAT THIS BOND AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN ON THE SERIES 2017 PROJECT OR ANY OTHER PROPERTY OF OR IN THE CITY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES PLEDGED THERETO, ALL IN THE MANNER PROVIDED IN THE RESOLUTION.

The original Registered Owner, and each successive Registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

(1) The Registrar shall maintain the books of the City for the registration of Bonds and for the registration of transfer of Bonds as provided in the Resolution. The Bonds shall be transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing only upon the books of the City and only upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his

duly authorized attorney. Upon the transfer of this Bond, the City shall issue in the name of the transferee a new Bond.

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

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

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

This Bond is and shall have all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

No covenant or agreement contained in this Bond or the Resolution shall be deemed to be a covenant or agreement of any officer, member or employee of the City in his or her individual capacity, and no such officer, member or employee shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Delray Beach, Florida, has caused this Bond to be signed by its Mayor, either manually or with his facsimile signature, and the seal of the City to be affixed hereto or imprinted, and attested by the Clerk, either manually or with her facsimile signature, all as of the Dated Date.

CITY OF DELRAY BEACH, FLORIDA

By: _____
Mayor

[SEAL]

ATTEST

Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2017

This Bond is the Bond delivered pursuant to the within mentioned Resolution.

FINANCE DEPARTMENT OF CITY OF
DELRAY BEACH, FLORIDA, as Registrar

By: _____
Finance Director

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the
"Transferor"), hereby sells, assigns and transfers unto
_____ (the "Transferee")

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFeree

the within Bond and all rights thereunder, and hereby irrevocably constitutes and
appoints _____ as attorney to
register the transfer of the within Bond on the books kept for registration and registration of
transfer thereof, with full power of substitution in the premises.

Date: _____

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: No transfer will be
registered and no new Bond will be
issued in the name of the Transferee,
unless the signature(s) to this
assignment correspond(s) with the
name as it appears upon the face of
the within Bond in every particular,
without alteration or enlargement
or any change whatever and the
Social Security or Federal Employer
Identification Number of the
Transferee is supplied.

No. R-1

\$31,500,000.00

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF DELRAY BEACH
CAPITAL IMPROVEMENT REVENUE BOND,
SERIES 2017

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
1.96%	October 1, 2026	June 23, 2017

Registered Owner: BANC OF AMERICA PREFERRED FUNDING CORPORATION

Principal Amount: THIRTY ONE MILLION FIVE HUNDRED THOUSAND
AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that the City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City"), for value received, hereby promises to pay, from the Pledged Revenues hereinafter mentioned, to the Registered Owner or registered assigns, the Principal Amount stated hereon with interest thereon at the Interest Rate set forth above (subject to adjustment as herein provided), principal and interest being payable on the dates set forth below, until the City's obligation with respect to the payment of such Principal Amount shall be discharged. Principal of and interest on this Bond is payable by wire transfer to the Holder to the domestic bank account number on file with the Finance Department of the City (in its capacity as Paying Agent) as of the Record Date, the name and address (such address being the "Payment Office") of such Holder which shall appear on the registration books maintained by the City (in its capacity as Registrar) at the close of business on the day preceding each interest payment date, whether or not such day is a Business Day (the "Record Date"). Alternatively, if agreed upon in writing by the City and the Registered Owner, while Banc of America Preferred Funding Corporation is the Registered Owner, payment of principal and interest shall be made by direct debit by the Registered Owner of an account of the City designated by the City. Such interest shall be payable from the most recent interest payment date next preceding the date hereof to which interest has been paid, unless the date hereof is an April 1 or October 1 to which interest has been paid, in which case from the date hereof, or unless the date hereof is prior to October 1, 2017, in which case from the date hereof.

Accrued interest on this Bond will be payable on April 1 and October 1 of each year, beginning October 1, 2017. The principal of this Bond will be payable in accordance with the following schedule:

<u>Date</u>	<u>Principal Amount Due</u>
October 1, 2017	\$ 2,500,000
October 1, 2018	2,980,000
October 1, 2019	3,035,000
October 1, 2020	3,095,000
October 1, 2021	3,155,000
October 1, 2022	3,220,000
October 1, 2023	3,280,000
October 1, 2024	3,345,000
October 1, 2025	3,410,000
October 1, 2026	3,480,000 *

* Or if greater, all outstanding and unpaid principal.

Any payment due on a day which is not a Business Day may be made on the next succeeding Business Day but interest shall continue to accrue and shall be payable on such next succeeding Business Day.

The principal of and interest on this Bond is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts. All payments hereon shall be applied first to interest, then to amounts owed to the Registered Holder other than principal, and last to principal.

Default and Late Payment Rates

During the continuance of an Event of Default this Bond shall bear interest at the Default Rate (as defined in the Resolution) and, for any payment that is more than fifteen (15) days late, the Registered Owner may impose a late fee equal to four percent (4%) of the late payment.

Increase in Interest Rate upon a Determination of Taxability

The following definitions shall apply to this Bond:

(1) "Code" means the Internal Revenue Code of 1986, as amended.

(2) "Determination of Taxability" shall mean the circumstance that interest paid or payable on this Bond becomes includable for federal income tax purposes in the gross income of the Registered Holder as a consequence of any act or omission of the City. A Determination of Taxability will be deemed to have occurred upon (a) the receipt by the City or the Registered Owner of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on this Bond is

includable in the gross income of the Registered Owner or (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on this Bond is includable in the gross income of the Registered Owner. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on this Bond is deemed includable in the gross income of the Registered Owner. A Determination of Taxability shall not occur solely as a result of such interest being taken into account in determining adjusted current earnings for the purpose of the alternative minimum tax imposed on corporations.

(3) "Maximum Corporate Tax Rate" shall mean the highest marginal rate of United States federal income tax applicable to the taxable income of corporations, without regard to any increase in tax designed to normalize the rate for all income at the highest marginal tax rate, which rate on the date hereof is 35%.

Upon the occurrence of a Determination of Taxability, the Interest Rate shall be adjusted to a rate per annum equal to the rate otherwise borne hereby divided by one minus the Maximum Corporate Tax Rate in effect as of the date of the Determination of Taxability (the "Adjusted Interest Rate"), as of and from the date such determination would be applicable with respect to this Bond (the "Accrual Date") and (i) the City shall, from the sources hereinafter provided and not otherwise, immediately pay on demand to the Registered Owner an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Bond at the Adjusted Interest Rate from the Accrual Date to the date of such demand for payment, and (B) the actual interest paid by the City on this Bond from the Accrual Date to the date of such demand for payment, and (2) any loss, cost, charge or expense suffered by such Registered Owner arising out of the Determination of Taxability, including without limitation amounts of interest and penalties required to be paid as a result of any additional state and federal income taxes by such Registered Owner as a result of such Determination of Taxability; and (ii) from and after the date of such demand for payment, this Bond shall continue to bear interest at the Adjusted Interest Rate for the period such determination continues to be applicable with respect to this Bond. The adjustment provided for in this paragraph shall survive the payment of this Bond until the expiration of the statute of limitations under which the interest on this Bond could be required to be included in the gross income of the registered owner thereof for federal income taxes purposes.

Provided, however, that notwithstanding any of the adjustments in the Interest Rate described above, the Interest Rate shall never exceed the maximum rate allowed by law.

Prepayment

This Bond may be prepaid by the City at any time, in whole or in part, upon providing three (3) Business Days' notice to the Registered Owner of the City's intent to prepay. Partial prepayments shall be applied against principal in inverse order of maturity, unless otherwise agreed upon in writing by the City and the Registered Owner. The amount to be prepaid shall be equal to the principal amount to be prepaid plus accrued interest to the date of prepayment, plus the "prepayment fee" described below.

The prepayment fee will be equal to the present value (discounted by the Reinvestment Rate) of the difference, if positive, between:

- (a) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to 2.11%, as if the prepayment had not been made, less
- (b) the sum of the interest payments that would have accrued on each prepaid installment of principal at a fixed interest rate for such installment equal to the Reinvestment Rate, as if the prepayment had not been made.

The following definitions will apply to the calculation of the prepayment fee:

(i) "Reinvestment Rate" means with respect to each prepaid installment of principal, the Swap Rate on the date the prepayment fee is calculated by the Registered Owner for a term corresponding to the period of time remaining until such principal installment was scheduled to be paid, interpolated on a linear basis, if necessary, and

(ii) "Swap Rate" means, as of any date, the offered U.S. Dollar interest rate swap rate that a fixed rate receiver would receive in return for paying a floating rate equal to the three month Libor determined by the Registered Owner on such date by reference to the Bloomberg service or such other similar data source then used by the Registered Owner for determining such rate.

This Bond is the entire authorized issue of the City's Capital Improvement Revenue Bonds, Series 2017 (herein called the "Bonds"), in the aggregate principal amount of \$31,500,000, issued for the purpose of financing the cost of the Series 2017 Project (as defined in the Resolution hereinafter referred to) under the authority of and in full compliance with the Constitution, the City Charter, as amended and supplemented, and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended and supplemented and other applicable provisions of law, and Resolution R-76-99, duly adopted by the City Commission of the City (the "City Commission") on December 14, 1999, as amended and supplemented by Resolution No. R- 47- 17 duly adopted by the City Commission on June 20, 2017 (herein collectively referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

This Bond is payable from and secured by a lien upon and pledge of the Pledged Revenues, all in the manner provided in the Resolution.

"Pledged Revenues" means: (a) the Non-Ad Valorem Revenues deposited in the Debt Service Fund created and established under the Resolution, (b) investment income received from the investment of moneys in the Debt Service Fund and accounts established thereunder; and (c) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with repayment of the Bonds.

"Non-Ad Valorem Revenues" means legally available revenues of the City derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment by the City.

"Business Day" means any day other than a Saturday or Sunday or day on which the Payment Office of the Registered Owner is lawfully closed.

Until all of the Bonds are paid or deemed paid pursuant to the provisions of the Resolution, the City has covenanted to appropriate in its annual budget, by amendment if required, in each Fiscal Year, Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become and payable. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

To the extent that the City is in compliance with the covenants contained in the Resolution, and has budgeted and appropriated in each Fiscal Year, Non-Ad Valorem Revenues sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, the Resolution and the obligations of the City contained therein shall not be a limitation on the ability of the City pledge or covenant to pledge its Non-Ad Valorem Revenues for other legally permissible purposes.

THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED FOR PAYMENT OF THIS BOND, AND THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY WITHIN THE MEANING OF THE CONSTITUTIONAL, STATUTORY OR OTHER PROVISION, AND IT IS EXPRESSLY AGREED BY THE HOLDER OF THIS BOND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND OR THE MAKING OF RESERVE, IF ANY, AND SINKING FUND PAYMENTS PROVIDED FOR IN THE RESOLUTION.

IT IS FURTHER AGREED BETWEEN THE CITY AND THE HOLDER OF THIS BOND THAT THIS BOND AND THE OBLIGATION EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN ON THE SERIES 2017 PROJECT OR ANY OTHER PROPERTY OF OR IN THE CITY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES PLEDGED THERETO, ALL IN THE MANNER PROVIDED IN THE RESOLUTION.

The original Registered Owner, and each successive Registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

(1) The Registrar shall maintain the books of the City for the registration of Bonds and for the registration of transfer of Bonds as provided in the Resolution. The Bonds shall be transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing only upon the books of the City and only upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his

duly authorized attorney. Upon the transfer of this Bond, the City shall issue in the name of the transferee a new Bond.

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

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

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

This Bond is and shall have all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

No covenant or agreement contained in this Bond or the Resolution shall be deemed to be a covenant or agreement of any officer, member or employee of the City in his or her individual capacity, and no such officer, member or employee shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of Delray Beach, Florida, has caused this Bond to be signed by its Mayor, either manually or with his facsimile signature, and the seal of the City to be affixed hereto or imprinted, and attested by the Clerk, either manually or with her facsimile signature, all as of the Dated Date.

CITY OF DELRAY BEACH, FLORIDA

By: 

Mayor

[SEAL]

ATTEST


Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: June 23, 2017

This Bond is the Bond delivered pursuant to the within mentioned Resolution.

FINANCE DEPARTMENT OF CITY OF
DELRAY BEACH, FLORIDA, as Registrar

By: 

Finance Director

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the
"Transferor"), hereby sells, assigns and transfers unto
_____ (the "Transferee")

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFeree

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to register the transfer of the within Bond on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: _____
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: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

ISSUER CERTIFICATE

The undersigned officers of the City of Delray Beach, Florida (the "Issuer") DO HEREBY CERTIFY THAT:

1. They are the duly elected, qualified and acting incumbents of their respective offices of the Issuer, as set forth after their signatures hereto, and as such are familiar with its books and corporate records.

2. The Issuer is a body corporate and politic duly organized, existing and in good standing under and by virtue of the laws of the State of Florida, and as such has all requisite power and authority to issue debt and to carry on its business as now being conducted.

3. The following are the duly elected, qualified and serving Mayor and members of the City Council of the Issuer who hold the offices appearing opposite each such member's name:

<u>OFFICE</u>	<u>NAME</u>	<u>TERM ENDS</u>
Mayor	Cary D. Glickstein	March, 2018
Vice-Mayor	Jim Chard	March, 2020
Deputy Vice-Mayor	Shirley Johnson	March, 2020
Commissioner	Mitch Katz	March, 2018
Commissioner	Shelly Petrolia	March, 2019

The City Commission is the legislative body of the Issuer. Neal de Jesus is the duly appointed, qualified and serving Interim City Manager, Katerri Johnson is the duly appointed, qualified and serving City Clerk, Laura Thezine is the duly appointed, qualified and serving Acting City Finance Director and R. Max Lohman is the duly appointed, qualified and serving City Attorney.

All of the above persons have duly filed their oaths or affirmations of office and filed bonds or undertakings in the amount and manner required by law.

4. Included in the transcript of which this certificate forms a part are true, correct and complete copies of Resolution No. R-76-99, adopted by the Issuer on December 14, 1999 (the "Authorizing Resolution"), authorizing the Issuer to issue Capital Improvement Revenue Bonds from time to time, as amended and supplemented by Resolution No. R-47-17, adopted by the Issuer on June 20, 2017 (the "Supplemental Resolution"), authorizing the Issuer to issue its Capital Improvement Revenue Bonds, Series 2017 in a principal amount not to exceed \$31,500,000 (the "Series 2017 Bonds"). The Authorizing Resolution and the Supplemental Resolution are herein collectively referred to as the "Resolution." The Resolution was adopted by at least a majority of the members of the City Commission of the Issuer at a meeting or meetings duly called and held at which a requisite number of members of the City Commission of the Issuer were present and acting

throughout. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

5. The Series 2017 Bonds were authorized by the Resolution and are in a form and text permitted by the Resolution. The Series 2017 Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute the legal, valid, binding and enforceable obligations of the Issuer in accordance with their terms and in conformity with the provisions of the City Charter and the ordinances and resolutions of the City and the Constitution and laws of the State of Florida. The proceeds of the Series 2017 Bonds will be used to finance all or a portion of the costs of such capital improvement projects as the Issuer may determine to undertake (the "Series 2017 Project").

6. The Issuer is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness may be incurred, and no event has occurred and is continuing under the provisions of any such instrument which, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder. The Issuer is not in default in the performance of any of the covenants and obligations assumed by it under the Resolution.

7. The Issuer is not in violation of any existing law, court or administrative regulation, decree or order and is not in default in the performance of any material obligations to be performed by the Issuer under any agreement, indenture, lease or other instrument to which the Issuer is subject or by which it or any of its assets are bound. The adoption of the Resolution and the execution, delivery and due performance of the Series 2017 Bonds, and the compliance by the Issuer with the provisions thereof, will not conflict with or constitute on the part of the Issuer a breach of or a default under the Issuer's Charter or Code of Ordinances or under any existing law, court or administrative regulation, decree or order or any agreement, indenture, lease or other instrument to which the Issuer is subject or by which the Issuer or any of its assets are bound. The issuance of the Series 2017 Bonds, together with all other obligations of the Issuer, will not exceed any limit prescribed by the Constitution or statutes of the State of Florida or the Issuer's Charter or Code of Ordinances.

8. The Issuer is authorized to collect the Non- Ad Valorem Revenues (as defined in the Resolution) and to covenant to budget and appropriate the Non- Ad Valorem Revenues as security for the Series 2017 Bonds, in the manner provided in the Resolution. Upon the issuance of the Series 2017 Bonds, the Series 2017 Bonds will be the only indebtedness of the Issuer in any manner secured by or payable from the Non-Ad Valorem Revenues, except as otherwise set forth in the Issuer's audited financial statements for its fiscal year ended September 30, 2016.

9. No approval, consent, or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (a) the issuance and sale of the Series 2017 Bonds by the Issuer to Banc of America Preferred Funding Corporation (the "Lender"), and (b) the execution or delivery of or compliance by the Issuer with the terms and conditions of the Resolution or the Series 2017 Bonds. The consummation of the transactions set forth in this paragraph in the

manner and under the terms and conditions as provided in the Resolution will comply with all federal, state or local laws, rules and regulations applicable to the Issuer.

10. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the undersigned, threatened against or affecting the Issuer, (a) restraining or enjoining the issuance or delivery of the Series 2017 Bonds; (b) contesting or questioning in any way the terms and provisions of the Resolution; (c) questioning or challenging the legality, enforceability or validity of any of the Non-Ad Valorem Revenues, or (d) in any manner questioning the proceedings and authority under which the Series 2017 Bonds are issued or affecting the validity of the same or the security therefor or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Resolution or would materially affect the ability of the Issuer to comply with the terms of the Resolution or the Series 2017 Bonds.

11. Neither the existence of the Issuer nor the title of the present officials or members to their respective offices are being contested and no authority or proceedings for the issuance of the Series 2017 Bonds have been modified, repealed, revoked or rescinded.

12. The seal which has been impressed upon the Series 2017 Bonds and upon this certificate is the legally adopted, proper and only official seal of the Issuer.

13. The interest rate on the Series 2017 Bonds is in compliance with the requirements of Section 215.84 (3), Florida Statutes.

14. The Issuer has duly performed all of its obligations under the Resolution to be performed by it at or before the date hereof. All representations and warranties of the Issuer contained in the Resolution are true and correct as of the date hereof as if made on this date.

15. All proceedings of the Issuer at which the authorization and sale of the Series 2017 Bonds were considered were conducted in compliance with the provisions of all applicable state and local public meetings laws. Neither the undersigned Mayor nor, and to the best knowledge of the Mayor, any other member of the City Commission, while meeting together with any other member or members of the City Commission, reached any conclusion as to the actions taken by the City Commission with respect to the Resolution or the Series 2017 Bonds, the security therefor, the application of the proceeds therefrom, the sale of the Series 2017 Bonds to the Lender or any other material matters with respect to the Resolution or the Series 2017 Bonds, except at duly noticed public meetings of the City Commission.

16. The undersigned do not, and to the best knowledge of the undersigned no member of the City Commission has or holds any employment or contractual relationship with the Lender or with Bank of America Corporation, except as fully and fairly disclosed in compliance with the provisions of Section 112.3143, Florida Statutes.

17. There has been no material adverse change in the financial position of the Issuer, as presented in its financial audit for its fiscal year ended September 30, 2016, since the date of such audit. All of the financial information provided by the Issuer to the Lender is accurate and correct as of the date hereof.

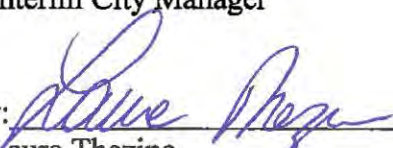
WITNESS our hands and the corporate seal of the Issuer as of the 23rd day of June, 2017.


CITY OF DELRAY BEACH, FLORIDA

By: 
Cary D. Glickstein
Mayor

[SEAL]

By: 
Neal de Jesus
Interim City Manager

By: 
Laura Thezine
Acting City Finance Director

By: 
Katerri Johnson
City Clerk

TAX CERTIFICATE

I, Cary D. Gluckstein, Mayor of the City of Delray Beach, Florida (the "Issuer"), in connection with the issuance by the Issuer on the date hereof of its \$31,500,000 Capital Improvement Revenue Bonds, Series 2017 (the "Series 2017 Bonds") **HEREBY CERTIFY THAT:**

1. **Certification.** This certificate is being made pursuant to Treasury Regulation §1.148-2(b)(2) for the purpose of setting forth the Issuer's good faith expectations as of the issue date of the Series 2017 Bonds and the facts in support of those expectations, as well as setting forth certain representations of the Issuer with respect to the use and investment of proceeds of the Series 2017 Bonds. I am the officer of the Issuer charged among others with the responsibility of issuing the Series 2017 Bonds, and I acknowledge and understand that the representations of facts and expectations contained herein will be relied upon by Greenspoon Marder, P.A. in rendering its opinions regarding the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes and treatment of interest on the Series 2017 Bonds for purposes of the federal alternative minimum tax. To the best of my knowledge and belief, there are no facts, estimates or circumstances other than those expressed herein that would materially affect the expectations expressed herein. Capitalized terms not otherwise defined herein will have the meanings given to them in Section 1 of the Letter of Instructions attached hereto as Annex A or in the hereinafter described Resolution.

2. **Governmental Purpose.** The Series 2017 Bonds are being issued pursuant to Resolution No. R-76-99 adopted by the Issuer on December 14, 1999, as amended and supplemented by Resolution No. R-47-17, adopted by the Issuer on June 20, 2017 (collectively, the Resolution") (i) to finance all or a portion of the costs of such capital improvement projects as the Issuer may determine to undertake (the "Project"), and (ii) to pay certain costs of issuance of the Series 2017 Bonds.

3. **Allocation and Accounting.** For purposes of this certificate and the representations contained herein, the Issuer will account for Gross Proceeds, investments allocable to the Series 2017 Bonds and expenditures of Gross Proceeds of the Series 2017 Bonds in accordance with Treasury Regulations §1.148-6 and the rules set forth in Section 2 of the Letter of Instructions.

(a) **Nature of Expenditures.** No portion of the Sale Proceeds of the Series 2017 Bonds or investment earnings thereon will be allocated to the payment of expenditures or will be allocated to the reimbursement of expenditures other than expenditures that are (i) Capital Expenditures; (ii) any issuance costs of the Series 2017 Bonds; (iii) Qualified Administrative Costs; (iv) fees for Qualified Guarantees of the issue; (v) interest on the Series 2017 Bonds for a period commencing on the issue date and ending on the date that is the later of three years from the issue date or one year after the date on which the Project is Placed in Service; (vi) a Rebate Amount or Yield Reduction Payment; (vii) costs directly related to Capital Expenditures financed by the Series 2017 Bonds that, in total, do not exceed 5% of the Sale Proceeds of the Series 2017 Bonds; (viii) extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments in amounts in excess of reasonable insurance coverage; and (ix) principal or interest on the Series 2017 Bonds paid from unexpected excess sale or investment proceeds.

(b) **Reimbursements.** The Issuer will not use any of the proceeds of the Series 2017 Bonds to reimburse an expenditure (an "Original Expenditure") that was paid by the Issuer (or a Related Party to the Issuer) before the date that is 60 days before June 20, 2017. No reimbursement will be made more than 18-months after the later of the date the expenditure was paid or the date the Project was placed in service, and in no event more than 3 years after the expenditure was paid. The preceding sentence shall not apply to preliminary expenditures with respect to the Project to the extent that the amount of such expenditures does not exceed 20% of the aggregate issue price of the portion of an issue or issues that finance or are reasonably expected to finance the Project for which the preliminary expenditures were incurred. Preliminary expenditures with respect to a project means architectural, engineering, surveying, soil testing, costs of issuing the Series 2017 Bonds, and similar costs incurred prior to commencement of acquisition, construction, or rehabilitation of the project, other than land acquisition, site preparation, and similar costs incident to commencement of construction. The amount of proceeds of the Series 2017 Bonds expected to be used for reimbursement is \$0.

(c) **Record Keeping.** All allocations of Proceeds of the Series 2017 Bonds to expenditures will be recorded no later than 18 months after the later of the date the particular expenditure is paid or the date the portion of the Project financed by the issue to which the expenditure relates is placed in service. All allocations of Proceeds of the Series 2017 Bonds to expenditures will, in all events, be made no later than the date that is 60 days after the fifth anniversary of this date or the date 60 days after the retirement of the Series 2017 Bonds, if earlier. Such record will include the particular cost paid, the date of the payment and the party to whom the payment was made. A record of any "private business use" (as defined in Section 141 of the Code and the regulations promulgated thereunder) of the Project will be made and retained until three years after the scheduled maturity of the Series 2017 Bonds.

(d) **Universal Cap.** The Issuer reasonably expects on the date hereof that the Universal Cap, as described in Section 2(b)(ii) of the Letter of Instructions, will not reduce the amount of Gross Proceeds allocable to the Series 2017 Bonds during the term of the Series 2017 Bonds.

(e) **Allocation to Investments.** All investments, including without limitation any Certificate of Deposit, Guaranteed Investment Contract or any investment in a Yield Restricted Sinking Fund Escrow, acquired with Gross Proceeds of the Series 2017 Bonds will be acquired for the Fair Market Value, as described in Section 3 of the Letter of Instructions.

(f) **Contribution of Non-Bond Proceeds.** The Issuer expects to contribute non-bond proceeds to the costs to be financed with proceeds of the Series 2017 Bonds as part of the plan of financing for the Project and will retain documentation of that contribution as part of recordkeeping with respect to the Series 2017 Bonds. The equity will be used to pay a portion of the costs of the Project and it is expected to be qualified equity within the meaning of Treasury Regulations §1.141-6(b)(3) ("Qualified Equity").

4. **Single Issue.** There are no other issues of governmental obligations other than the Series 2017 Bonds that (a) have been or will be sold within 15 days of the date on which the Series 2017 Bonds were sold to Banc of America Preferred Funding Corporation (the "Lender"), (b) have been or will be sold pursuant to the same plan of financing with the Series 2017 Bonds, and (c) are reasonably expected to be paid from substantially the same source of funds (determined without regard to guarantees from persons other than Related Parties) as will be

used to pay the Series 2017 Bonds. For this purpose, obligations issued to finance a single facility or related facilities are part of the same plan of financing, but short-term obligations issued to finance working capital expenditures and long-term obligations issued to finance capital projects are not part of the same plan of financing.

5. **Governmental Bond Status.** (a) **In General.** Not more than ten percent (10%) of the facilities that are a part of the Project will be used (directly or indirectly) in any "private business use" within the meaning of section 141 of the Code. For this purpose, a "use" of facilities means any use in the trade or business of a natural person or any use of facilities by a person that is not a natural person, other than a governmental unit (excluding for purposes of this document, the United States or any agency or instrumentality of the United States). A "use" includes use by a person as an owner, lessee, purchaser of output of facilities under a "take and pay" or "take or pay" contract, a manager or independent contractor under management or service contracts that fail to comply with the requirements of paragraph 5(e) or any other arrangement that conveys special legal entitlements for beneficial use of proceeds of the Series 2017 Bonds or of the financed property.

(b) **Exceptions.** We have been advised by Greenspoon Marder, P.A., Bond Counsel, that under the applicable federal income tax regulations, use of Issuer-owned or leased facilities intended for general public use is not considered "use" by nongovernmental persons in a trade or business if such persons use the facilities in their trade or business on the same basis as the use by other members of the public. Use of the financed facilities by organizations such as school groups, church groups, and fraternal organizations and numerous commercial organizations for a short period of time on a rate-scale basis will not be considered to be used by nongovernmental persons in trade or business if the rights of such a user are only those of a transient occupant rather than the full legal possessory interests of a lessee. Any arrangement that conveys priority rights to the use or capacity of the Project will be treated as a private business use. We have been advised that under applicable federal income tax regulations certain short term uses will not be treated as private use. We also have been advised by Bond Counsel that, under the applicable federal income tax regulations, use by a non-governmental person is not private use if either: (i) (A) the term of the use under the arrangement, including all renewal options, is not longer than 100 days, and (B) the arrangement would be treated as general public use, except that it is not available for use on the same basis by natural persons not engaged in a trade or business because generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business; or (ii) (A) the term of the use under the arrangement, including all renewal options, is not longer than 50 days; and (B) the arrangement is a negotiated arm's-length arrangement, and compensation under the arrangement is at fair market value. In addition, in each case the property must not be financed for the principal purpose of providing that property for use by that non-exempt person. Any agreements for use of the Project by non-governmental persons will conform to these exceptions.

(c) **Unrelated and Disproportionate Related Use.** Not more than five percent (5%) of the facilities that are a part of the Project has been or will be used directly or indirectly in any private business use that is not "related" to any governmental use of such facilities or to be used in any "disproportionate related use" (as defined in section 141 of the Code).

(d) **Private Loans and Output Facilities.** None of the proceeds of the Series 2017 Bonds is to be used (directly or indirectly) to make or finance loans or to finance a facility that is an output facility (other than a facility for the furnishing of water).

(e) **Management and Service Contracts.** The Project will not be used in the trade or business of any nongovernmental person, and the Series 2017 Bonds are not secured by any property or payments in respect of property that will be used in the trade or business of any nongovernmental person. To the extent any management or service agreement with a nongovernmental person is entered into by the Issuer in the future that relates to the Project, it will comply with a safe harbor of Revenue Procedure 2017-13 or any successor guidance from the Internal Revenue Service. The Issuer will not enter into any lease, output agreement or capacity agreement with any nongovernmental person unless it receives an opinion of counsel that such agreement does not adversely affect the exclusion from gross income of interest on the Series 2017 Bonds. The Issuer will not make any loan with the proceeds of the Series 2017 Bonds.

(f) **Private Security Test.** No portion of the payment of the principal of or interest on the Series 2017 Bonds will be secured (under the terms of the Series 2017 Bonds or any underlying arrangement), directly or indirectly, by any interest in property used or to be used for a private business use or payments in respect of such property.

(g) **Private Payment Test.** Neither the Issuer nor any Related Person to the Issuer has received, or will receive, any payments that have been or will be made by a person for any private business use of Proceeds of the Series 2017 Bonds or for use of any portion of the Project that is used or to be used for a private business use.

(h) **Research.** No portion of the Project will be used in the conduct of research.

(i) **Eligible Mixed Use.** The Issuer expects that the Project will constitute "eligible mixed use projects" as defined in Regulations §1.141-6(b)(2) (the "Mixed-Use Projects") in that such Mixed-Use Projects (i) are being financed in part with Proceeds of the Series 2017 Bonds and in part with funds that are not derived from Proceeds of a borrowing, as described in paragraph 3(f) above, and (ii) will be owned by the Issuer (or a Related Party to the Issuer). Under Regulations §1.141-6(b)(1), Qualified Equity is allocated first to any Private Business Use of the respective Mixed-Use Projects and then to use that is not Private Business Use, and Proceeds of the Issue are allocated first to use of the respective Mixed-Use Projects that is not Private Business Use and then to Private Business Use.

6. **Expectations as to Facts, Estimates and Circumstances.** Based upon the facts, estimates and circumstances in existence on the date hereof, the Issuer reasonably expects and represents the following:

(a) **Sale Proceeds.** The total Sale Proceeds of the Series 2017 Bonds to the Lender are expected to be \$31,500,000 (the "Sale Proceeds") representing \$31,500,000 principal amount plus accrued interest of \$0.00. The Lender is purchasing the Series 2017 Bonds for its own account.

(b) **Application of Sale Proceeds of the Series 2017 Bonds and Investment Earnings.** Sale Proceeds of the Series 2017 Bonds will be allocated as follows:

- (i) \$75,450.00 of the Sale Proceeds will be applied within six months of the date hereof to pay costs of issuing the Series 2017 Bonds.
- (ii) The balance of the Sale Proceeds in the amount of \$31,424,550.00 plus amounts derived from the investment thereof, will be deposited into the Construction Fund and used to pay Costs of the Project.
- (iii) The Sale Proceeds, together with all amounts derived from the investment thereof will not exceed by any amount the amount necessary for the governmental purposes of the Series 2017 Bonds.

(c) **Initial Temporary Period.** (i) The Issuer has entered into, or will enter into within six months of the date hereof, substantial binding obligations to expend an amount equal to at least 5 percent of the expected Net Sale Proceeds of the Series 2017 Bonds on the Project.

(ii) Acquisition, installation and construction of the Project is expected to be completed on or before June 23, 2020. All of the Net Sale Proceeds of the Series 2017 Bonds and investment earnings thereon are expected to be allocated to expenditures for the Project within three years from the date hereof.

(iii) Completion of the Project and the allocation of the Net Sale Proceeds of the Series 2017 Bonds to expenditures for the Project will proceed with due diligence until the completion thereof.

7. **Bona Fide Debt Service Fund.** Principal of, and interest on, the Series 2017 Bonds will be paid with Non-Ad Valorem Revenues of the Issuer deposited in the Principal and Interest Account of the Sinking Fund established under the Resolution on the last business day of each Interest Payment period. Revenues deposited in the Sinking Fund, together with investment earnings on the Sinking Fund during any Bond Year will not exceed debt service payable on the Issuer's debt payable from such fund by more than the greater of (i) the earnings on such "fund" for the immediately preceding Bond Year or (ii) one-twelfth of the principal and interest payments on the Series 2017 Bonds for the immediately preceding Bond Year. The Sinking Fund will be used primarily to achieve a proper matching of revenues and debt service within each year and will be depleted at least one time per year except possibly for a reasonable carryover amount not to exceed the greater of (a) the earnings on such fund for the immediately preceding Bond Year or (b) one-twelfth of the principal and interest payments on the Series 2017 Bonds for the immediately preceding Bond Year. Accordingly, the Sinking Fund will be treated as a Bona Fide Debt Service Fund.

8. **Replacement Proceeds.** (a) Except for the Sinking Fund treated as a Bona Fide Debt Service Fund in paragraph 7 hereof, there are no funds or accounts held by or derived from a Substantial Beneficiary of the Series 2017 Bonds that are reasonably expected to be used (directly or indirectly) to pay principal of or interest on the Series 2017 Bonds. No such funds or accounts will be created by the Issuer or any Related Party to the Issuer.

(b) There are no funds or accounts held by or derived from a Substantial Beneficiary of the Series 2017 Bonds that are (directly or indirectly) pledged to pay principal of or interest on

the Series 2017 Bonds and for which there is a reasonable assurance that the amounts therein will be available to pay principal of or interest on the Series 2017 Bonds if the Issuer encounters financial difficulties. No such funds or accounts will be created by the Issuer.

(c) No Grants or gifts or pledges of Grants or gifts have been received in contemplation of the costs of the portion of the Project financed with the Sale Proceeds of the Series 2017 Bonds nor is it expected any such Grants or gifts will be made during the term of the Series 2017 Bonds. There are no available amounts held by or that could be derived from a Substantial Beneficiary of the Series 2017 Bonds that would have been used for the governmental purposes of the Series 2017 Bonds if the proceeds of the Series 2017 Bonds were not used or to be used for such governmental purposes. No grants or gifts or pledges of grants or gifts have been received in contemplation of the costs of the Project financed with the Proceeds of the Series 2017 Bonds or investment earnings thereon, nor is it expected any such grants or gifts will be made during the term of the Series 2017 Bonds.

(d) The weighted average maturity of the Series 2017 Bonds, 4.9944 years, does not exceed 120 percent of the average reasonably expected "economic life" of the assets which are a part of the Project. For this purpose the "economic life" of each of the assets is, in general, the longer of (i) the reasonably expected economic life of the asset, based on facts and circumstances; or (ii) the "midpoint life" of the asset under the Asset Depreciation Range ("ADR") system, as established under Rev. Proc. 87-56, C.B. 1987-2, 674, as amended or supplemented, where applicable, or the guideline life for the asset under Rev. Proc. 62-21, 1962-2 C.B. 418, in the case of structures. The reasonably expected "economic life" of assets which have previously been placed in service by the Issuer or a Related Person, has been calculated by reducing the "economic life," as determined in the preceding sentence, by the period of time from the date the asset was placed in service to the date hereof. For purposes of this paragraph only, the term "placed in service" refers to the date the property is placed in a condition or state of readiness and availability for a specifically assigned function within the meaning of Treasury Regulation §1.46-3(d).

9. **Investment Property.** No portion of the Project and none of the costs of the Project are or will be Investment Property. No portion of the Sale Proceeds of the Series 2017 Bonds has been or will be used to pay or reimburse a prepayment for property or services unless the prepayment is made for a substantial business purpose other than investment return and (i) the prepayment is on substantially the same terms as are made by a substantial percentage of persons who are similarly situated but who are not beneficiaries of tax-exempt financing, (ii) the prepayment is made within 90 days of the reasonably expected date of delivery to the Issuer of all of the property or services for which the prepayment is made, (iii) the prepayment is (I) made for maintenance, repair, or an extended warranty with respect to personal property (for example, automobiles or electronic equipment); or updates or maintenance or support services with respect to computer software; and (II) the same maintenance, repair, extended warranty, updates or maintenance or support services, as applicable, are regularly provided to nongovernmental persons on the same terms, or (iv) the prepayment is made to acquire a supply of natural gas or electricity within the meaning of Treasury Regulation §1.148-1(e)(2)(iii).

10. **Investment Limitations.** (a) Except as otherwise expressly permitted in this paragraph 10, Gross Proceeds of the Series 2017 Bonds (including any amounts pledged to the repayment of the Series 2017 Bonds, amounts that are expected to be used to pay debt service on the Series 2017 Bonds, Sale Proceeds of the Series 2017 Bonds and investment earnings thereon)

will not be invested at a yield (calculated in accordance with Section 3 of the Letter of Instructions) in excess of the yield on the Series 2017 Bonds.

(b) Sale Proceeds of the Series 2017 Bonds deposited in the Project Fund that are to be used to pay Costs of the Project, together with investment earnings thereon, may be invested without regard to yield restriction for a temporary period not to exceed 3 years from the date hereof.

(c) Except as otherwise provided in this paragraph, investment earnings on amounts deposited in the Project Fund may be invested without regard to yield restriction for a temporary period not to exceed 1 year from the date of receipt.

(d) Intentionally omitted.

(e) Amounts on deposit in the Sinking Fund that are allocated to the payment of debt service on the Series 2017 Bonds may be invested without regard to yield restriction for a temporary period not to exceed 13 months from the date of deposit in the general fund of the Issuer.

(f) Replacement Proceeds of the Series 2017 Bonds not otherwise eligible for a temporary period described in this paragraph (if any) may be invested without regard to yield restriction for a temporary period of 30 days beginning on the date such amounts first become Replacement Proceeds.

(g) Sale Proceeds of the Series 2017 Bonds and investment earnings thereon may be invested without regard to yield restriction to the extent such amounts, when aggregated with all other Gross Proceeds of the Series 2017 Bonds not permitted to be invested without regard to yield restriction, do not exceed the Minor Portion for the Series 2017 Bonds.

11. **Yield on Series 2017 Bonds.** For purposes of this certificate, Yield on the Series 2017 Bonds will be calculated in the manner set forth in section 148 of the Code and Treasury Regulation §1.148-4 using a 360-day year basis with interest compounded semiannually. When calculated in this manner, the yield on the Series 2017 Bonds for purposes of this Section 11 is 1.9603% per annum. For purposes of computing the yield, the issue price of the Series 2017 Bonds is \$31,500,000 (the principal amount thereof).

12. **Hedge Bond.** The Issuer expects that 85% of the Net Sale Proceeds of the Series 2017 Bonds allocable to the Project costs will be spent within 3 years of the date hereof. Not more than 50% of the Proceeds of the Series 2017 Bonds allocable to the project costs will be invested, directly or indirectly, in Nonpurpose Investments having a term of 4 years or more. Accordingly, the Series 2017 Bonds will not be a "hedge bond" within the meaning of section 149(g) of the Code.

13. **Federal Guarantee.** The payment of principal and interest on the Series 2017 Bonds is not directly or indirectly guaranteed by the United States (or an agency or instrumentality thereof). No more than 5% of the Proceeds of the Series 2017 Bonds is to be used in making loans the payment of principal or interest with respect to which is to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) or invested (directly or indirectly) in Federally insured deposits or accounts except: (a) investments during an initial temporary period permitted under section 148 of the Code until

such proceeds are needed for the purpose for which the Series 2017 Bond were issued; (b) investments in a Bona Fide Debt Service Fund; (c) investments in a Reasonably Required Reserve or Replacement Fund; (d) investments in bonds issued by the United States Treasury; (e) investments guaranteed by the Federal Housing Administration, the Veterans' Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association; (f) investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, or any successor provision; or (g) any investments that are held in a Refunding Escrow.

14. **Information Report.** The Issuer agrees to file with the Internal Revenue Service Center, Ogden, Utah, a statement on Form 8038-G complying with the requirements of Form 8038-G, prior to August 14, 2017

15. **Tax Covenants.** The Issuer covenants to comply with the provisions of the Code applicable to the Series 2017 Bonds and covenants not to take any action which would cause the interest on the Series 2017 Bonds to lose the exclusion from gross income for federal income tax purposes provided under section 103 of the Code. The Issuer will take all actions necessary to assure that interest on the Series 2017 Bonds does not lose the exclusion from gross income for federal income tax purposes provided under section 103 of the Code. The Issuer will at all times while the Series 2017 Bonds remain outstanding comply with all of its covenants and representations contained herein, unless an Opinion of Counsel is obtained.

16. **Rebate.** The Issuer covenants and agrees that it shall calculate or cause to be calculated the Rebate Amount in accordance with Section 4 of the Letter of Instructions and pursuant to section 148(f) of the Code and the Treasury Regulations promulgated thereunder. The Issuer shall pay the Rebate Amount to the United States, in the percentage, at the times and in the manner set forth in Section 4(c) of the Letter of Instructions.

17. **IRS Form 8038-G.** The following information is provided to and may be relied on by Greenspoon Marder, P.A. or any other person with the responsibility of filling out and/or filing IRS Form 8038-G and/or acting as a "paid preparer" with respect thereto:

- (i) The Issuer's employer identification number (EIN) is 59-6000308.
- (ii) The type of Issue is Other: General Capital Improvements with an the Issue Price \$31,500,000.
- (iii) The final maturity date is October 1, 2026.
- (iv) The stated redemption price at maturity is \$31,500,000.
- (v) The weighted average maturity is 4.9944 years.
- (vi) The Yield is 1.9603%.
- (vii) \$75,450 of the proceeds of the bond issue will be used for bond issuance costs. Accordingly, the non refunding proceeds of the issue are \$31,424,550.

- (viii) None of the proceeds of the issue will be invested in a guaranteed investment contract, used to make loans to other governmental units, the issue is not a loan made from the proceed of another tax-exempt issue, the Issuer has not elected to pay a penalty in lieu of arbitrage rebate, and the Issuer has not identified a hedge.
- (ix) The Issuer has established written procedures to (a) ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations and (b) monitor the requirements of section 148 of the Code.
- (x) None of the proceeds of the issue were used to reimburse expenditures.

**CITY OF DELRAY BEACH,
FLORIDA**

By: 

Cary D. Glickstein, Mayor

Dated: June 23, 2017

ANNEX A

Letter of Instructions

Re: \$31,500,000 City of Delray Beach, Florida, Capital Improvement
Revenue Bonds, Series 2017 (the "Series 2017 Bonds")

Laura Thezine, Acting Finance Director
City of Delray Beach
Delray Beach, Florida

1. Definitions.

Capitalized terms not otherwise defined herein will have meanings given to them in sections 103, 141, 148, 149 and 150 of the Code and the Treasury Regulations promulgated thereunder.

"Bid Records" means: (a) a copy of the Guaranteed Investment Contract actually acquired or, in the case of Yield Restricted Defeasance Escrow Investments, a copy of the purchase agreement or confirmations for the investments; (b) the receipt or other record of the amount actually paid by the Issuer for the investments, including a record of any administrative costs paid by the Issuer, and the certification of the provider as to administrative costs; (c) either a written copy of each bid received or a written certification from the party receiving the bids which lists for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; (d) the bid solicitation form and, if the terms of the Guaranteed Investment Contract or purchase agreement deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and (e) in the case of Yield Restricted Defeasance Escrow Investments, a schedule showing the cost of the most efficient portfolio of SLGS, determined at the time the bids were required to be submitted pursuant to the terms of the bid specifications.

"Bona Fide Debt Service Fund" means a bona fide debt service fund as defined in Treasury Regulations §1.148-1, i.e., one or more funds (including portions of funds, to the extent that amounts deposited therein are reasonably expected to be used to pay debt service on an issue of bonds) that are used primarily to achieve a proper matching of revenues and debt service within each Bond Year and that is depleted at least once a year except for a reasonable carryover amount (not to exceed the greater of (a) the earnings on the fund for the immediately preceding Bond Year or (b) one-twelfth the principal and interest payments on the issue for the immediately preceding Bond Year).

"Bona Fide Solicitation" means a solicitation that meets all of the following requirements: (a) the bid specifications are in writing and are timely forwarded to potential providers; (b) the bid specifications include all material terms of the bid, i.e., all terms that may directly or indirectly affect the yield of the investment; (c) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person whether or not in connection with the Bond issue), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements that there be at least three bids from persons with no Material Financial Interest, at least one of whom is a reasonably competitive provider; (d) all the terms of the bid specifications are commercially reasonable in that there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment; (e) in the case of a Guaranteed Investment Contract, the terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested; (f) all potential providers have an equal opportunity to bid and no potential provider is given the opportunity to review other bids before providing a bid; and (g) at least three reasonably competitive providers are solicited for bids.

"Bond Year" means each 1-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year that is selected by the Issuer.

"Capital Expenditure" means any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of Placed in Service under Treasury Regulations §1.150-2(c)) under general federal income tax principles.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commingled Fund" means any fund or account containing both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account. An open-end regulated investment company under section 851 of the Code, however, is not a Commingled Fund.

"Computational Base" means (a) for a Guaranteed Investment Contract, the amount of Gross Proceeds the Issuer reasonable expects, as of the date the Guaranteed Investment Contract is acquired, to be deposited in the Guaranteed Investment Contract over the term of the Guaranteed Investment Contract; and (b) for investments (other than Guaranteed Investment Contracts) to be deposited in a Yield Restricted Defeasance Escrow, the amount of Gross Proceeds initially invested in those investments.

"Controlled Group" means a group of entities controlled directly or indirectly by the same entity or group of entities. The determination of direct control is made on the basis of all the relevant facts and circumstances. One entity or group of entities generally controls another entity or group of entities if (a) the controlling entity possesses either (i) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity, or (ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity; and (b) the rights or powers are discretionary and non-ministerial. If a controlling entity controls another entity under this test the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity or entities. However, an entity is not controlled by another entity if the putative controlled entity possesses substantial taxing, eminent domain, and police powers.

"De Minimis Amount" means: (a) in reference to original issue discount (as defined in section 1273(a)(1) of the Code) or premium on an obligation, an amount that does not exceed 2 percent multiplied by the stated redemption price at maturity; plus any original issue premium that is attributable exclusively to reasonable underwriter's compensation; and (b) in reference to market discount (as defined in section 1278(a)(2)(A) of the Code) or premium on an obligation, an amount that does not exceed 2 percent multiplied by the stated redemption price at maturity.

"Fair Market Value" shall have the meaning set forth in Section 3(d) hereof.

"501(c)(3) Organization" means an organization that is described in section 501(c)(3) of the Code and is exempt from tax under section 501(a) of the Code.

"Fixed Rate Investment" means any investment whose yield is fixed and determinable on the issue date of the investment.

"Future Value" means such term as defined in Treasury Regulations section 1.148-3(c) or successor regulations applicable to the Series 2017 Bonds calculated based on the yield of the Series 2017 Bonds.

"Governmental Unit" means a governmental unit within the meaning of section 150(a)(2) of the Code (i.e., any state or division of a state with a substantial amount of sovereign powers) or instrumentality of a state or political subdivision thereof. The term Governmental Unit does not include the United States or any agency or instrumentality of the United States.

"Grant" means a grant as defined in Treasury Regulations §1.148-6(d)(4)(iii), i.e., a transfer for a governmental purpose of money or property to a transferee that is not a Related Party to, or an agent of, the transferor. The transfer must not impose any obligation or condition (directly or indirectly) to repay any amount to the transferor. Obligations or conditions intended solely to assure expenditure of the transferred moneys in accordance with the governmental purpose of the transfer do not prevent a transfer from being a Grant.

"Gross Proceeds" means, except as otherwise indicated, gross proceeds as defined in Treasury Regulations §1.148-1, i.e., any Proceeds and Replacement Proceeds of an issue.

"Guaranteed Investment Contract" means, in general, any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and includes any agreement to supply investments on two or more future dates (e.g., a forward supply contract), debt service fund forward agreements and debt service reserve fund agreements (e.g., agreements to deliver United States Treasury obligations). The term "Guaranteed Investment Contract" does not include investments purchased for a yield restricted defeasance escrow, other than escrow float contracts and similar agreements which provide securities for the period of 90 days or less following the maturity of defeasance escrow securities.

"Investment Proceeds" means investment proceeds as defined in Treasury Regulations §1.148-1, i.e., any amounts actually or constructively received from investing Proceeds of the Series 2017 Bonds.

"Investment Property" means any investment that is: (a) a "security" (as defined in section 165(g)(2)(A) or (B) of the Code), i.e., a share of stock in a corporation or a right to subscribe for or to receive a share of stock in a corporation; (b) an "obligation" (as defined in Treasury Regulations §1.150-1(b)), i.e., any valid evidence of indebtedness under general federal income tax principles; (c) any "annuity contract" (as defined in section 72 of the Code); (d) any "investment-type property" (within the meaning of Treasury Regulations §1.148-1(b)), i.e., any property (other than property described in (a), (b), (c) or (e) of this definition) that is held principally as a passive vehicle for the production of income; or (e) any residential rental property for family units not located within the jurisdiction of the Issuer unless such property is acquired to implement a court ordered or approved housing desegregation plan. A prepayment for property or services is "investment-type property" if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. However, a prepayment will not be treated as investment-type property" if it is made for a substantial business purpose other than investment return and (i) the prepayment is on substantially the same terms as are made by a substantial percentage of persons who are similarly situated but who are not beneficiaries of tax exempt financing, (ii) the prepayment is made within 90 days of the reasonably expected date of delivery to the Issuer of all of the property or services for which the prepayment is made, (iii) the prepayment is made for maintenance, repair, or an extended warranty with respect to personal property (for example, automobiles or electronic equipment); or updates or maintenance or support services with respect to computer software; and the same maintenance, repair, extended warranty, updates or maintenance or support services, as applicable, are regularly provided to nongovernmental persons on the same terms or (iv) the prepayment is made to acquire a supply of natural gas or electricity within the meaning of Treasury Regulation §1.148-1(e)(2)(iii). In addition, Investment Property does not include any Tax-exempt Bond, unless such obligation is a "specified private activity bond" (as defined in section 57(a)(5)(C) of the Code) i.e., a Tax-exempt Bond other than an obligation the interest on which is subject to the alternative minimum tax imposed on individuals and corporations.

"Issuer" means the City of Delray Beach, Florida.

"Lowest Cost Bona Fide Bid" means, in the case of Yield Restricted Defeasance Escrow Investments, either the lowest cost bid for the portfolio or, if the Issuer compares bids on an investment by investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Issuer from a provider at the time a Guaranteed Investment Contract (e.g., an escrow float contract) is purchased for a yield restricted defeasance escrow under a bidding procedure that meets the requirements of clause (d) of the definition of Bona Fide Solicitation is taken into account in determining the lowest cost bid. The Lowest Cost Bona Fide Bid must not be greater than the cost of the most efficient portfolio comprised exclusively of SLGS determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. This cost comparison is not required to be made if SLGS are not available for purchase on the day the bids are required to be submitted because sales of those securities have been suspended.

"Material Financial Interest" shall have the meaning set forth in Section 3(d)(vi) hereof.

"Minor Portion" means, in general, a minor portion as defined in section 148(e) of the Code and Treasury Regulation §1.148-2(g), i.e., the lesser of 5 percent of the Sale Proceeds of the Series 2017 Bonds or \$100,000.

"Net Sale Proceeds" means Sale Proceeds, less the portion of the Sale Proceeds invested in a Reasonably Required Reserve or Replacement Fund under section 148(d) of the Code and as part of the Minor Portion.

"Nonpurpose Investment" means an investment allocated to Gross Proceeds of the Series 2017 Bonds that is not acquired to carry out the governmental purpose of an issue, i.e., all Investment Property acquired or otherwise allocated to Gross Proceeds of the Series 2017 Bonds.

"Obligation" means any valid evidence of indebtedness under general federal income tax principles.

"Opinion of Counsel" means, an opinion of Greenspoon Marder, P.A. or other nationally recognized bond counsel experienced in matters relating to the exclusion of interest on state and local governmental obligations from gross income for purposes of federal income taxation.

"Payment" means, in general, a payment as defined in Treasury Regulations §1.148-5(b), i.e., amounts to be actually or constructively paid to acquire the investment.

"Placed in Service" means placed in service as defined in Treasury Regulations §1.150-2(c), i.e., with respect to a facility, the date on which, based on all the facts and circumstances the facility has reached a degree of completion that would permit its operation at substantially its design level, and the facility is, in fact, in operation at such level.

"Plain Par Bond" means a qualified tender bond or a bond (a) that is issued with not more than a De Minimis Amount of original issue discount or premium; (b) that is issued for a price that does not include accrued interest other than pre-issuance accrued interest; (c) that bears interest from the issue date at a single, stated, fixed rate or that is a variable rate debt instrument under section 1275 of the Code, in each case with interest unconditionally payable at least annually; and (d) that has a lowest stated redemption price that is not less than its outstanding stated principal amount.

"Plain Par Investment" means an investment that is an obligation (a) issued with not more than a De Minimis Amount of original issue discount or premium, or, if acquired on a date other than the issue date, acquired with not more than a De Minimis Amount of market discount or premium; (b) issued for a price that does not include accrued interest other than pre-issuance accrued interest; (c) that bears interest from the issue date at a single, stated, fixed rate or that is a variable rate debt instrument under section 1275 of the Code, in each case with interest unconditionally payable at least annually; and (d) that has a lowest stated redemption price that is not less than its outstanding stated principal amount.

"Preliminary Expenditures" mean preliminary expenditures as defined in Treasury Regulations §1.150-2(f)(2), e.g., architectural, engineering, surveying, soil testing, costs of issuance and similar costs that were incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation and similar costs incident to commencement of construction.

"Present Value" is computed under the economic accrual method. For purposes of computing the value of Series 2017 Bonds and yield on the Series 2017 Bonds, Present Value is computed taking into account all the unconditionally payable Payments of principal, interest, and fees for a Qualified Guarantee to be paid on or after that date and using the yield on that bond or note as the discount rate, except that for purposes of Treasury Regulations §1.148-(6)(b)(2) (relating to the Universal Cap) these values may be determined by consistently using the yield on the entire issue of which such bond or note are a part. The Present Value of an investment on a date is equal to the Present Value of all unconditionally payable Receipts to be received from and Payments to be paid for the investment after that date, using the yield on the investment as the discount rate.

"Prior Issue" means an issue of Obligations all or a portion of the principal, interest, or call premium on which is paid or provided for with proceeds of a Refunding Issue.

"Proceeds" means, in general, any Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue. However, Proceeds do not include Qualified Administrative Costs that may be recovered under Treasury Regulation §1.148-5(a).

"Qualified Administrative Costs" mean, with respect to Nonpurpose Investments reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the issuer are not Qualified Administrative Costs. In general, administrative costs with respect to Nonpurpose Investments are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than Gross Proceeds of a Tax-exempt Bond. Qualified Administrative Costs of Nonpurpose Investments include all reasonable administrative costs, without limitation on indirect costs, incurred by a publicly offered regulated investment company (as defined in section 67(c)(2)(B) of the Code) or by a Commingled Fund in which the Issuer and any Related Parties do not own more than 10 percent of the beneficial interest in the fund. A broker's commission or similar fee for a Guaranteed Investment Contract or a Yield Restricted Defeasance Escrow Investment which is paid on behalf of either the Issuer or the provider is a Qualified Administrative Cost to the extent that (i) the amount of the fee that the Issuer treats as a Qualified Administrative Cost does not exceed the lesser of (A) \$39,000 or (B) 0.2% of the Computational Base or, if more, \$4,000, and (ii) for any issue, the Issuer does not treat as Qualified Administrative Costs more than \$111,000 in broker's commissions or similar fees with respect to all Guaranteed Investment Contracts or Yield Restricted Defeasance Escrow Investments purchased with Gross Proceeds of the issue. All amounts referenced in the preceding sentence reflect an increase by a cost of living adjustment as provided in Treasury Regulation §1.148-5(e)(3)(B)(3).

"Qualified Guarantee" means a qualified guarantee as defined in Treasury Regulations §1.148-4(f).

"Qualified Hedge" means a qualified hedge as defined in Treasury Regulations §1.148-4(h)(2), i.e., (a) a contract entered into primarily to reduce the Issuer's risk of interest rate changes with respect to a borrowing; (b) the contract contains no significant investment element; (c) the contract is entered into between the Issuer and a provider that is not a Related Party; (d) the hedge covers all of one or more groups of substantially identical bonds; (e) changes in the value of the contract are based primarily on interest rate changes; (f) the contract does not hedge an amount larger than the Issuer's risk with respect to interest rate changes on the hedged bond; (g) the payments to the Issuer under the contract correspond closely, in both time and amount, to the specific interest payments being hedged; (h) payments under the contract do not begin to accrue under the contract on a date earlier than the issue date of the hedged bond and do not accrue longer than the hedged interest payments on the hedged bond; (i) payments to the hedge provider are reasonably expected to be made from the same source of funds that, absent the hedge, would be reasonably expected to be used to pay principal and interest on the hedged bond; and (j) the contract is identified by the Issuer on its books and records maintained for the hedged bond not later than three days after the date on which the parties enter into the contract or the issue date of the hedged bond.

"Reasonably Required Reserve or Replacement Fund" means, in general, a reasonably required reserve or replacement fund as described in Treasury Regulations §1.148-2(f)(2).

"Receipt" means a receipt as defined in Treasury Regulations §1.148-3(d), i.e., amounts to be actually or constructively received from the investment, such as earnings and return of principal.

"Refunding Escrow" means one or more funds established as part of a single transaction or a series of related transactions, containing proceeds of a Refunding Issue and any other amounts to provide for payment of principal or interest on one or more Prior Issues. For this purpose, funds are generally not so established solely because of (a) the deposit of Proceeds of an issue and Replacement Proceeds of the Prior Issue in an escrow more than 6 months apart, or (b) the deposit of Proceeds of completely separate issues in an escrow.

"Refunding Issue" means, a refunding issue as defined in Treasury Regulations §1.150-1(d). In general, a Refunding Issue means an issue (or the portion of an issue treated as a separate Refunding Issue under Treasury Regulations §1.148-9(h)), the proceeds of which are used to pay principal, interest, or redemption price on another issue.

"Related Party" means, in reference to a Governmental Unit or a 501(c)(3) Organization, any member of the same Controlled Group, and, in reference to any person that is not a Governmental Unit or 501(c)(3) Organization, a related person (as defined in section 144(a)(3) of the Code).

"Replacement Proceeds" means replacement proceeds as defined in Treasury Regulation §1.148-1(c).

"Sale Proceeds" means any amounts actually or constructively received from the sale of an issue, including amounts used to pay underwriter's discount or compensation and accrued interest other than pre-issuance accrued interest.

"SLGS" means State and Local Government Series Securities purchased from the United States Department of Treasury, Bureau of Public Debt.

"Substantial Beneficiary" of the Series 2017 Bonds means the Issuer and any Related Party to the Issuer.

"Tax-exempt Bond" means any obligation of a State or political subdivision thereof under section 103(c)(1) of the Code (including financing leases and any other arrangements, however labeled) the interest on which is excludable from gross income under section 103(a) of the Code. Tax-exempt Bond includes an interest in a regulated investment company to the extent that at least 95 percent of the income to the holder of the interest is interest that is excludable from gross income under section 103(a) of the Code.

"Tax Certificate" means, with respect to the Series 2017 Bonds, the Issuer's Tax Certificate dated June 23, 2017. With respect to obligations other than the Series 2017 Bonds, Tax Certificate will mean the arbitrage certificate or other document executed in connection with the issuance of such obligations for the purpose of complying with Treasury Regulation §1.148(2)(b) or prior Treasury Regulation §1.103-13(a)(2).

"Transferred Proceeds" means transferred proceeds as defined in Treasury Regulation §1.148-9.

"Universal Cap" means, on any date, either (a) the present value of the Series 2017 Bonds determined by taking into account all unconditionally payable payments of principal, interest and fees for a Qualified Guarantee to be paid on or after that date, using the yield on the Series 2017 Bonds as the discount rate, or (b) in the case of any Series 2017 Bonds which are Plain Par Bonds, the outstanding stated principal amount of such Series 2017 Bonds, plus accrued unpaid interest.

"Yield Restricted Defeasance Escrow Investment" means any investment purchased for a yield restricted defeasance escrow other than treasury obligations purchased directly from the United States Treasury and other than short term escrow float contracts treated as Guaranteed Investment Contracts.

2. Allocation and Accounting.

(a) *In General.* Except as otherwise provided in this Section 2, the Issuer may use any reasonable accounting method for purposes of accounting for Gross Proceeds, investments, and expenditures, provided the accounting method is consistently applied. An accounting method means both the overall method used to account for Gross Proceeds of an issue (e.g., the cash method or a modified accrual method) and the method used to account for or allocate any particular item within that overall accounting method (e.g., accounting for investments, expenditures, allocations to and from different sources, and particular items of the foregoing). Consistently applied means applied uniformly within a fiscal period and between fiscal periods to account for Gross Proceeds of an issue and any amounts that are in a Commingled Fund. An accounting method will not fail to be reasonable and consistently applied solely because a different accounting method is used for a bona fide governmental purpose to consistently account for a particular item.

(b) *Allocation of Gross Proceeds to the Series 2017 Bonds.* (i) *In General.* Gross Proceeds will be allocated to the Series 2017 Bonds as Proceeds until those amounts are properly allocated to an expenditure for a governmental purpose or are allocated to Transferred Proceeds of another issue, or cease to be allocated to the Series 2017 Bonds under the Universal Cap.

(ii) *Universal Cap.* (A) The Universal Cap provides an overall limitation on the amount of Gross Proceeds allocable to an issue. Except as provided in Section 2(b)(iii), unless the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of the Series 2017 Bonds on a date the issuer will determine or cause to be determined the Universal Cap with respect to the Series 2017 Bonds (A) as of the first day of each Bond Year, beginning with the first Bond Year that commences after the second anniversary of the date hereof, and (B) as of each date that, but for application of the Universal Cap, Proceeds of a refunded issue would become Transferred Proceeds of the Series 2017 Bonds but need not determine the Universal Cap in the Bond Year in which that date occurs.

(B) If the Issuer reasonably expects, as of the issue date of the Series 2017 Bonds that the Universal Cap will not reduce the amount of Gross Proceeds allocable to the Series 2017 Bonds during the term of the S Series 2017 Bonds, the Universal Cap need not be calculated on any date on which: (A) no Replacement Proceeds are allocable to the Series 2017 Bonds, other than Replacement Proceeds in a Bona Fide Debt Service Fund or a Reasonably Required Reserve or Replacement Fund; (B) the Net Sale Proceeds of the Series 2017 Bonds qualified for one of the temporary periods provided in Treasury Regulations §1.148-2(e)(2), (e)(3), or (e)(4), and those Net Sales Proceeds are in fact allocated to expenditures prior to the expiration of the longest applicable temporary period; or the Net Sale Proceeds of the Series 2017 Bonds were deposited in a Refunding Escrow and expended as originally expected; (C) the Series 2017 Bonds do not refund an issue that, on any transfer date, has unspent proceeds allocable to it; (D) none of the Series 2017 Bonds are retired prior to the date on which such portion of the Series 2017 Bonds is treated as retired in computing the yield on the Series 2017 Bonds; and (E) no Proceeds of the Series 2017 Bonds are invested in "qualified student loans" or "qualified mortgage loans" (as defined in Treasury Regulations §1.150-1).

(C) If the value of all Nonpurpose Investments allocated to the Gross Proceeds of the Series 2017 Bonds exceeds the Universal Cap on a date as of which the Universal Cap is determined such Nonpurpose Investments allocable to Gross Proceeds of the Series 2017 Bonds necessary to eliminate that excess will cease to be allocated to the Series 2017 Bonds, in the following order of priority: (A) Nonpurpose Investments allocable to Replacement Proceeds; (B) Nonpurpose Investments allocable to Transferred Proceeds; and (C) Nonpurpose Investments allocable to Sale Proceeds and Investment Proceeds.

For this purpose Nonpurpose Investments may be valued (a) in the case of a Plain Par Investment at its principal amount plus any accrued unpaid interest on that date; (b) in the case of fixed rate investments, at its Present Value on that date; or (c) in the case of any other investment, at its Fair Market Value.

(c) *Allocations to Expenditures.* (i) *In General.* Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include any of the following methods if consistently applied: a specific tracing method; a Gross Proceeds spent first method; a first-in, first-out method; or a ratable allocation. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than 5 banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made. A payment of Gross Proceeds to a Related Party of the Issuer is not an expenditure of those Gross Proceeds. Gross Proceeds paid to the Related Party are expended only when the Gross Proceeds are properly allocable to an expenditure by the Related Party.

(ii) *Reimbursement Allocations.* An allocation to reimburse an Original Expenditure made (in accordance with paragraph 3(c) of the Tax Certificate with respect to the Series 2017 Bonds) within 30 days after the issue date may be treated as made on the issue date of the Series 2017 Bonds.

An allocation to reimburse an Original Expenditure that does not meet the requirements set forth in paragraph 3(c) of the Tax Certificate will not be regarded as properly allocated to an expenditure.

(iii) *Gross Proceeds invested in Purpose investments.* Gross Proceeds of an issue invested in a Purpose Investment may be allocated to an expenditure only on the date on which the conduit borrower under the Purpose Investment allocates the Gross Proceeds to an expenditure in accordance with Treasury Regulations §1.148-6(d). Notwithstanding an allocation permitted under the preceding sentence, with respect to the issuer such Gross Proceeds continue to be allocated to the Purpose Investment until the sale, discharge, or other disposition of the Purpose Investment.

(iv) *Commingled Investment Earnings.* Notwithstanding Section 2(c)(i), investment earnings on Sale Proceeds of the Series 2017 Bonds (other than investment earnings held in a Refunding Escrow) may be allocated to expenditures other than expenditures described in Section 2(c)(i), if the investment earnings are commingled for the purpose of accounting for expenditures with substantial tax or other substantial revenues from operations of the Issuer and they are reasonably expected to be allocated (using any reasonable, consistently applied accounting method) to expenditures for governmental purposes of the Issuer within a period not to exceed six months from the date of the commingling.

(d) *Allocations of Gross Proceeds to Investments.* Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue will not be allocated to a Payment for that Nonpurpose Investment in an amount greater than, or to a Receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment (adjusted to take into account Qualified Administrative Costs allocable to the investment) as of the purchase or sale date.

(e) *Allocation of Investments Held by a Commingled Fund.* (i) *In General.* All Payments and Receipts (including deemed Payments and Receipts) on investments held by a Commingled Fund must be allocated among the different "investors" in the fund not less frequently than as of the close of each fiscal period. This allocation must be based on a consistently applied reasonable, ratable allocation method. Reasonable ratable allocation methods include, methods that allocate these items in proportion to either (A) the average daily balances of the amounts in the Commingled Fund from different "investors" during a fiscal period; or (B) the average of the beginning and ending balances of the amounts in the Commingled Fund from different investors for a fiscal period that does not exceed one month. For purposes of this Section 2(e), the term "investor" means each different source of funds invested in a Commingled Fund. A Commingled Fund may use any consistent fiscal period that does not exceed three months.

(ii) *Expenditures from a Commingled Fund.* If a ratable allocation method is used to allocate expenditures from the Commingled Fund, the same ratable allocation method must be used to allocate Payments and Receipts on investments in the Commingled Fund under this Section.

(iii) *Common Reserve Funds, Replacement Funds or Sinking Funds.* If a Commingled Fund serves as a common reserve fund, replacement fund, or sinking fund for two or more issues, investments held by that Commingled Fund must be allocated ratably (after any reallocations of Proceeds under Section 2(b)) among the issues served by the Commingled Fund according to (A) the relative values of the bonds of those issues (as determined under Treasury Regulations §1.148-4(e)); (B) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (C) the relative original stated principal amounts of the outstanding issues. Such allocations must be made at least every three years and as of each date that an issue first becomes secured by the Commingled Fund. If relative original principal amounts are used to allocate, allocations must also be made on the retirement of any issue secured by the Commingled Fund.

(iv) *Mark-to-Market Requirement.* If Gross Proceeds of the Series 2017 Bonds are invested in a Commingled Fund in which the Issuer and any Related Party own more than twenty-five percent (25%) of the beneficial interests in the fund, the fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or the last day of each fiscal period unless (A) the

remaining weighted average maturity of all investments held by the Commingled Fund during the fiscal year does not exceed 18 months, and the investments held by the Commingled Fund during that fiscal year consist exclusively of Obligations, or (2) the Commingled Fund operates exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. The net gains or losses from any such deemed sales of investments must be allocated to all investors of the Commingled Fund during the period since the last allocation. For purposes of this Subsection the "fiscal year" of a Commingled Fund is the calendar year unless the fund adopts another "fiscal year".

3. Yield and Valuation of Investments.

(a) *In General.* Yield on an investment, the Present Value of an investment and the Fair Market Value of an investment allocated to the Series 2017 Bonds will be computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the Series 2017 Bonds. Except as otherwise provided in this Section 3, the yield on an investment allocated to the Series 2017 Bonds is the discount rate that, when used in computing the Present Value as of the date the investment is first allocated to the issue of all unconditionally payable Receipts from the investment, produces an amount equal to the Present Value of all unconditionally payable Payments for the investment. The Present Value of an investment on a date is equal to the Present Value of all unconditionally payable Receipts to be received from and Payments to be paid for the investment after that date, using the yield on the investment as the discount rate. The yield on a variable rate investment is determined in a manner comparable to the determination of the yield on a variable rate issue of a Tax-exempt Bond for purposes of section 148 of the Code. For purposes of the Investment Limitation under paragraph 10 of the Tax Certificate, the yield on investments made with Sale Proceeds of the Series 2017 Bonds or investment earnings thereon that are subject to yield restriction will be computed separately from the yield on investments not subject to yield restriction.

(b) *Yield Reduction Payments to the United States.* The yield on any investments allocable to Sale Proceeds of the Series 2017 Bonds or investment earnings thereon that qualified for one of the temporary periods described in paragraph 10 of the Tax Certificate, other than 10(f), may be calculated by taking into account any amount paid to the United States in accordance with this Section 3(b), including any Rebate Amount, as a Payment for that investment that reduces the yield on that investment. The yield on Unexpended Proceeds may be calculated by taking into account any "Yield Reduction Payments," as described in this Section. Yield Reduction Payments include payments paid to the United States at the same time and in the same manner as rebate amounts are required to be paid except:

(i) No Yield Reduction Payments are required to be paid until the earlier of the end of the tenth Bond Year after the issue date of the Series 2017 Bonds or 60 days after the date on which the issue is no longer outstanding; and

(ii) For Yield Reduction Payments paid prior to the date on which the Series 2017 Bonds are retired, the Issuer need not pay more than 75 percent of the amount otherwise required to be paid as of the date to which the payment relates.

(c) *Valuation of Investments.* The value of an investment (including a Payment or Receipt on the investment) on a date will be determined using one of the following valuation methods consistently for all purposes of section 148 of the Code to that investment on that date:

(i) A Plain Par Investment may be valued at its outstanding stated principal amount, plus any accrued unpaid interest on that date.

(ii) A Fixed Rate Investment may be valued at its Present Value on that date.

(iii) Any investment may be valued at its Fair Market Value on that date.

(d) *Fair Market Value.* (i) *In General.* The Fair Market Value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair Market Value generally is determined on the date on which a contract to purchase or sell the

Nonpurpose Investment becomes binding. Except as otherwise provided in this Section, an investment that is not of a type traded on an established securities market, within the meaning of section 1273 of the Code, will not be considered acquired or disposed of for a price that is equal to its Fair Market Value.

(ii) *Direct United States Treasury Obligations.* The Fair Market Value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(iii) *Certificate of Deposit.* The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal may be treated as its Fair Market Value on the purchase date if the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States and the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(iv) *Guaranteed Investment Contracts.* The purchase price of a Guaranteed Investment Contract is treated as its Fair Market Value on the purchase date if: (A) the Issuer makes a Bona Fide Solicitation for a specified Guaranteed Investment Contract; (B) the Issuer receives at least three bids from providers for the specified Guaranteed Investment Contract that the Issuer solicited under a Bona Fide Solicitation that have no Material Financial Interest in the issue, at least one of whom is a reasonably competitive provider, i.e., a provider that has an established industry reputation as a provider of Guaranteed Investment Contracts; (C) the Issuer purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker's fees); (D) the obligor on the Guaranteed Investment Contract provides a written certification specifying all amounts that it is paying (or expects to pay) to third parties in connection with supplying the Guaranteed Investment Contract; and (E) the Issuer retains the Bid Records with the Bond documents until three years after the last outstanding Bond is redeemed.

(v) *Yield Restricted Defeasance Escrow Investment.* The purchase price of a Yield Restricted Defeasance Escrow Investment is treated as its Fair Market Value on the purchase date if: (A) the Issuer makes a Bona Fide Solicitation for the purchase of the investment; (B) the Issuer receives at least three bids from providers that the Issuer solicited under a Bona Fide Solicitation that have no Material Financial Interest in the issue, at least one of whom is a reasonably competitive provider, i.e., a provider that has an established industry reputation as a provider of the type of investment being purchased; (C) the winning bid is the Lowest Cost Bona Fide Bid (including any broker's fees); (D) the provider of the investments certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with supplying the investments; and (E) the Issuer retains the Bid Records with the Bond documents until three years after the last Bond is redeemed.

(vi) *Material Financial Interest.* For purposes of paragraphs (iv) and (v) the following persons or entities are deemed to have a Material Financial Interest in the issue: (A) the lead underwriter in a negotiated underwriting transaction until 15 days after the issue date; (B) any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers; and (C) a Related Party to a provider that has a Material Financial Interest in the issue.

(vii) *Bidding.* If the Issuer invests any Gross Proceeds of the Series 2017 Bonds in a Guaranteed Investment Contract or purchases with Gross Proceeds Yield Restricted Defeasance Escrow Investments, it will conduct, or will have conducted on its behalf, a Bona Fide Solicitation. The Issuer will require the agent to certify as to the bidding process as set forth in the form of Certificate of Bidding Agent to be furnished by Greenspoon Marder, PA, in the case of a Guaranteed Investment Contract or in the case of Yield Restricted Defeasance Escrow Investments. If the bidding process is not conducted through an agent, the Issuer itself will provide a similar certificate to Greenspoon Marder, PA. The Issuer will file such certification together with the Bid Records, with the documents relating to the Series 2017 Bonds. If the Issuer wishes to invest Gross Proceeds of the Series 2017 Bonds in Certificates of Deposit it will obtain from the provider a certification that the Certificate of

Deposit has a fixed rate, a fixed payment schedule and a substantial penalty for early withdrawal, and the yield on the certificate of deposit is not less than (A) the yield on reasonably comparable direct obligations of the United States and (B) the highest yield published by the provider and currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(e) *Administrative Costs.* Except for Qualified Administrative Costs, costs or expenses paid, directly or indirectly, to purchase, carry, sell, or retire investments will not increase Payments made for investments and will not reduce Receipts from Investments. Qualified Administrative Costs will increase the Payments for, or decrease the Receipts from, investments.

(f) *Record Keeping.* The Issuer will keep, or cause to be kept, accurate records of each investment it makes in Investment Property acquired, directly or indirectly, with Gross Proceeds of the Series 2017 Bonds (other than revenues in a Bona Fide Debt Service Fund) and each expenditure it makes with Gross Proceeds of the Series 2017 Bonds. Such records will include all of the information necessary to compute the yield on each investment in Investment Property to the Issuer, e.g., purchase price, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively received on disposition, disposition date and evidence of the Fair Market Value of such property on the purchase date and disposition date (or deemed purchase or disposition date) for each item of such Investment Property.

4. **Rebate Requirement.**

(a) *Calculation of the Rebate Amount.* In general, the Rebate Amount, as of any date is the excess of the "future value", as of that date, of all Receipts on Nonpurpose Investments allocated to the Series 2017 Bonds over the "future value", as of that date, of all Payments on Nonpurpose Investments allocated to the Series 2017 Bonds. The "future value" of a payment or Receipt at the end of any period is determined using the economic accrual method and equals the value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the yield on the Series 2017 Bonds, using the same compounding interval and financial conventions used to compute the yield on the Series 2017 Bonds. Amounts earned on certain Gross Proceeds of the Series 2017 Bonds either may not, or are not required to be, taken into account in determining the Rebate Amount. The earnings on Gross Proceeds excepted from the calculation of the Rebate Amount include amounts earned on a Bona Fide Debt Service Fund for the Series 2017 Bonds and amounts earned on such amounts may not be taken into account.

(b) Within 30 days subsequent to each required computation date, the Issuer will compute the Rebate Amount with respect to the Series 2017 Bonds for the period ending on the most recent computation date.

(c) *Computation Dates.* The "computation dates" for the calculation of the Rebate Amount required by Section 4 will be: (i) no later than 5 years after the issue date of the Series 2017 Bonds, (ii) each fifth year thereafter, and (iii) the date that the last of Series 2017 Bonds are discharged (i.e., the date of the retirement of the last obligation of the Series 2017 Bonds).

(d) *Rebate Payments.* The Issuer will pay the Rebate Amount in installments as follows:

(i) Each installment payment of the Rebate Amount must be in an amount that when added to the "future value", as of the computation date, of previous rebate payments paid to the United States with respect to the Series 2017 Bonds equals at least ninety percent (90%) of the Rebate Amount as of that date. The final payment of the Rebate Amount will be an amount that, when added to the "future value" of previous rebate payments paid to the United States with respect to the Series 2017 Bonds equals one hundred percent (100%) of the Rebate Amount as of the final computation date.

(ii) Each rebate payment must be paid to the United States no later than 60 days after the computation date to which it relates and, if paid during such 60 day period, may be treated as paid

to the United States on the computation date to which it relates. A rebate payment is paid to the United States when it is filed with the Internal Revenue Service at the place or places designated by the Commissioner of the Internal Revenue Service. Each payment of a Rebate Amount will be filed with the Internal Revenue Service Center, Ogden, Utah. Each payment will be accompanied by Form 8038-T.

EXHIBIT 1

**CERTIFICATE OF BIDDING AGENT FOR GUARANTEED INVESTMENT
CONTRACT**

[DATE]

City of Delray Beach
100 NW 1st Avenue
Delray Beach, Florida 33444

Re: \$31,500,000 City of Delray Beach, Florida, Capital
Improvement Revenue Bonds, Series 2017 (the "Bonds")

_____ was the bidding agent in connection with the procurement on behalf of the City of Delray Beach, Florida (the "Issuer") of the [investment contract/repurchase agreement] (the "Agreement") between [issuer/trustee] and [provider] to be funded with the proceeds of the Bonds deposited in the _____ Fund established under the Resolution. As the bidding agent for this procurement, we were responsible for conducting the bidding process and hereby represent and certify that:

1. On _____ we made a solicitation for offers for the Agreement. The Bid Specifications were in writing in the form attached hereto as Schedule 1. The Bid Specifications were timely provided to [number] potential providers, __ of whom are reasonably competitive providers of this type of agreement, as defined in paragraph 5 below. The Bid Specifications provided all material terms of the bid, i.e., all terms that may have directly or indirectly affected the yield of the Agreement. The terms of the Bid Specifications took into account Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested pursuant to the Agreement.

2. The Bid Specifications included a statement notifying potential providers that submission of a bid is a representation (a) that the potential provider did not consult with any other potential provider about its bid, (b) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Bonds), and (c) that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of Treasury Regulations §1.148-5(d)(6)(iii)(B).

3. The terms of the Bid Specifications were commercially reasonable in that there was a legitimate business purpose for each term other than to increase the purchase price or reduce the yield on the Agreement.

4. The solicitation for offers from potential providers gave all providers an equal opportunity to bid. The solicitation was conducted (a) without providing additional information regarding the offers to be submitted by any of the other potential providers or an opportunity to review the other bids and (b) under circumstances that gave us no reason to believe that the potential providers had colluded regarding their offers. [Bidding Agent] did not offer to provide the Agreement.

5. The Issuer received ___ bids pursuant to this solicitation. The Issuer received at least three bids from potential providers solicited as described above that did not have a material financial interest in the Bonds. For purposes of this Certificate, the following entities were deemed to have a material financial interest in the issue: (i) the lead underwriter in a negotiated underwriting transaction, until 15 days after the issue date of the Bonds; (ii) any entity acting as a financial advisor with respect to the purchase of the investment at the time the Bid Specifications were forwarded to potential providers; and (iii) any related party to a provider who had a material financial interest in the issue.

6. At least one of the bids described in paragraph 5 was from a reasonably competitive provider. For purposes of this Certificate, a reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of this type of investment.

7. The winning bid was the highest yielding bona fide bid (determined net of any broker fees). The winning bid did not deviate from the Bid Specifications and has not been modified since it was made.

8. Attached hereto are (i) Schedule 1, a copy of the Bid Specifications; (ii) Schedule 2, a summary of the solicitation results, showing the name of the person and entity submitting each bid, the time and date of each bid and the bid results; (iii) Schedule 3, a copy of the Agreement; (iv) Schedule 4, the receipt or other record of the amount actually paid by the Issuer for the Agreement, including a record of any administrative costs paid by or on behalf of the Issuer; and (v) Schedule 5, the certificate required by the Bid Specifications of the winning bidder.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, _____.

[Name of Bidding Agent]

By:

Name:

Title:

SCHEDULE 1

BID SPECIFICATIONS

SCHEDULE 2

SUMMARY OF BIDS

SCHEDULE 3

COPY OF AGREEMENT

SCHEDULE 4
RECORD OF COST

SCHEDULE 5

CERTIFICATE OF GUARANTEED INVESTMENT CONTRACT PROVIDER

[DATE]

City of Delray Beach
100 NW 1st Avenue
Delray Beach, Florida 33444

Re: \$31,500,000 City of Delray Beach, Florida, Capital
 Improvement Revenue Bonds, Series 2017 (the "Bonds")

This certificate is being made by _____ (the "Provider") in connection with the execution of a [guaranteed investment contract/repurchase agreement] (the "Agreement") by the Provider and the City of Delray Beach, Florida (the "Issuer") of its \$_____ aggregate principal amount of the Bonds. The Provider understands that the Issuer will be investing proceeds of the Bonds under the Agreement.

The undersigned, an authorized officer of the Provider, hereby certifies as follows:

(1) The Provider has an established industry reputation as a competitive provider of the type of investment being acquired.

(2) The Provider is not paying any administrative costs to third parties in connection with supplying the Agreement, including any brokerage or selling commissions or similar fees, legal and accounting fees, investment advisory fees, record keeping, safekeeping, custody or similar expenses, other than a fee of \$_____ to _____ for _____, which fee the Provider believes to be reasonable based on its experience with similar procurements.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ____, ____.

[Name of Provider]

By:
Name:
Title:

EXHIBIT 2

CERTIFICATE OF BIDDING AGENT FOR YIELD RESTRICTED DEFEASANCE ESCROW INVESTMENTS

[DATE]

City of Delray Beach
100 NW 1st Avenue
Delray Beach, Florida 33444

Re: \$31,500,000 City of Delray Beach, Florida, Capital
 Improvement Revenue Bonds, Series 2017 (the "Bonds")

Ladies and Gentlemen:

_____ ("____") was the bidding agent in connection with the purchase by the City of Delray Beach, Florida (the "Issuer") of the securities indicated on the schedules attached hereto (the "Open Market Government Securities") with proceeds of the above-captioned bonds (the "Bonds") [and certain other amounts held in connection with bond issues to be refunded]. The Open Market Government Securities will be deposited in the Escrow Fund established pursuant to the Escrow Deposit Agreement dated as of _____ between _____ and the Issuer for the payment of the outstanding principal of and interest on the _____. As the bidding agent for the purchase of the Open Market Government Securities we were responsible for conducting the bidding for the Open Market Government Securities and hereby represent and certify that:

1. On _____ we made a solicitation for offers for the Open Market Government Securities using the form of bid specifications attached hereto as Schedule 1 (the "Bid Specifications"). The Bid Specifications were timely provided in writing to [number] potential providers, ____ of whom ____ are reasonably competitive providers of this type of investment, as defined in paragraph 5 below. The Bid Specifications provided all material terms of the bid, i.e., all terms that may have directly or indirectly affected the cost of the investments.

2. The Bid Specifications included a statement notifying potential providers that submission of a bid is a representation (a) that the potential provider did not consult with any other potential provider about its bid, (b) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Bonds), and (c) that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of Treasury Regulations §1.148-5(d)(6)(iii)(B).

3. The terms of the Bid Specifications were commercially reasonable in that there was a legitimate business purpose for each term other than to increase the purchase price on the investments.

4. The solicitation for offers from potential providers gave all providers an equal opportunity to bid. The solicitation was conducted (a) without providing additional information regarding the offers to be submitted by any of the other potential providers or an opportunity to review the other bids and (b) under circumstances that gave us no reason to believe that the potential providers had colluded regarding their offers. [Bidding Agent] did not offer to provide the Open Market Government Securities.

5. The Issuer received ___ bids pursuant to this solicitation. The Issuer received at least three bids from potential providers solicited as described above that did not have a material financial interest in the Bond issue. For purposes of this Certificate, the following entities were deemed to have a material financial interest in the issue: (i) the lead underwriter in a negotiated underwriting transaction, until 15 days after the issue date of the Bonds; (ii) any entity acting as a financial advisor with respect to the purchase of the investment at the time the Bid Specifications were forwarded to potential providers; and (iii) any Related Party to a provider who had a material financial interest in the issue.

6. At least one of the bids described in paragraph 5 was from a reasonably competitive provider. For purposes of this Certificate, a reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of this type of investment.

7. The winning bid was the lowest cost bona fide bid (computed by treating any broker's fees as part of the purchase price) [for the portfolio] [for each investment, comparing bids on an investment-by-investment basis]. The winning bid did not deviate from the Bid Specifications and has not been modified since it was made.

8. [The lowest cost bona fide bid for the portfolio][The aggregate cost of a portfolio comprised of the lowest cost bid for each investment] is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Securities from the Department of Treasury, Bureau of Public Debt, determined at the time the bids were required to be submitted pursuant to the terms of the Bid Specifications.

9. Attached hereto are (i) Schedule 1, a copy of the Bid Specifications; (ii) Schedule 2, a summary of the solicitation results, showing the name of the person and entity submitting each bid, the time and date of each bid and the bid results; (iii) Schedule 3, a copy of the purchase agreement or confirmations for the Open Market Government Securities; (iv) Schedule 4, the receipt or other record of the amount actually paid by the Issuer for the Open Market Government Securities, including a record of any administrative costs paid by or on behalf of the Issuer; (v) Schedule 5, the certificate required by the Bid Specifications of the winning bidder; and (vi) Schedule 6, a schedule showing the cost of the most efficient portfolio of State and Local Government Securities, determined using the rates available for the date the bids were required to be submitted pursuant to the terms of the Bid Specifications.

IN WITNESS WHEREOF, I have hereunto set my hand this ___th day of _____, _____.

[Name of Bidding Agent]

By:
Name:
Title:

SCHEDULE 1
BID SPECIFICATIONS

SCHEDULE 2

SUMMARY OF BIDS

SCHEDULE 3

PURCHASE AGREEMENT OR CONFIRMATIONS

SCHEDULE 4

RECEIPT

SCHEDULE 5

CERTIFICATE OF PROVIDER OF OPEN MARKET GOVERNMENT SECURITIES

[DATE]

City of Delray Beach
100 NW 1st Avenue
Delray Beach, Florida 33444

Re: \$31,500,000 City of Delray Beach, Florida, Capital
 Improvement Revenue Bonds, Series 2017 (the "Bonds")

Ladies and Gentlemen:

This certificate is being made by _____ ("Provider") in connection with the sale of the securities indicated on the schedule attached hereto (the "Open Market Government Securities") by the Provider to _____, as Escrow Agent under the Escrow Deposit Agreement dated as of _____ between _____ and the City of Delray Beach, Florida (the "Issuer"). The Provider understands that the Issuer will be investing funds in the Open Market Government Securities to defease the Bonds.

The undersigned, an authorized officer of the Provider, hereby certifies as follows:

(1) The Provider has an established industry reputation as a competitive provider of the type of investment being acquired.

(2) The Provider is not paying any administrative costs to third parties in connection with supplying the Open Market Government Securities, including any brokerage or selling commissions or similar fees, legal and accounting fees, investment advisory fees, record keeping, safekeeping, custody or similar expenses, other than a fee of \$ _____ to _____ for _____, which fee the Provider believes to be reasonable based on its experience with similar procurements.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of ____, ____.

[Name of Provider]

By:
Name:
Title:

SCHEDULE 6

SLGS PORTFOLIO COMPARISON

EXHIBIT 3

CERTIFICATION AS TO CERTIFICATE OF DEPOSIT

[DATE]

City of Delray Beach
100 NW 1st Avenue
Delray Beach, Florida 33444

Re: \$31,500,000 City of Delray Beach, Florida, Capital
Improvement Revenue Bonds, Series 2017 (the "Bonds")

Ladies and Gentlemen:

In connection with the purchase of a certificate of deposit for the investment of proceeds of the Bonds, I _____ of _____ (the "Provider") hereby certify as to the requirements set forth below:

(1) The certificate of deposit provided has a fixed rate, a fixed payment schedule and a substantial penalty for early withdrawal, and

(2) the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States and (ii) the highest yield published by the Provider and currently available from the Provider on reasonably comparable certificates of deposit offered to the public.

[Name of Provider]


By:
Name:
Title:

**\$31,500,000 CITY OF DELRAY BEACH, FLORIDA,
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2017**

CROSS RECEIPT

The City of Delray Beach, Florida, hereby acknowledges receipt of proceeds of the above-referenced Series 2017 Bonds, and directs that the proceeds be wired to the account or accounts identified in the Closing Memorandum relating to the Series 2017 Bonds dated the date hereof.

CITY OF DELRAY BEACH, FLORIDA

By: 
Neal de Jesus, Interim City Manager

Dated: June 23, 2017

Banc of America Preferred Funding Corporation hereby acknowledges receipt of the above-captioned Series 2017 Bonds.

**BANC OF AMERICA PREFERRED FUNDING
CORPORATION**

By: 
Mike Bowen, Authorized Agent

Dated: June 23, 2017

**\$31,500,000 CITY OF DELRAY BEACH, FLORIDA,
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2017**

CERTIFICATE OF ACTING FINANCE DIRECTOR

The undersigned, Acting Finance Director of the City of Delray Beach, Florida (the "Issuer"), hereby files this certificate with the Issuer with respect to the Issuer's \$31,500,000 Capital Improvement Revenue Bonds, Series 2017 (the "Series 2017 Bonds").

1. Following the issuance of the Series 2017 Bonds, the total outstanding maximum annual non-self-supporting revenue debt service, including the debt service on the Series 2017 Bonds, does not exceed fifty percent (50%) of the average of the Issuer's gross Non-Ad Valorem Revenues (all legally available Non-ad Valorem Revenues of the Issuer from whatever source including investment income) of the Issuer received by the Issuer in the last two preceding Fiscal Years. This is demonstrated mathematically as follows:

Maximum Annual Debt Service (\$7,188,275) / Average of Gross Non-Ad Valorem Revenues for Fiscal Years ended September 30, 2015 and September 30, 2016 (\$57,774,050) / = 12.44%

2. Following the issuance of the Series 2017 Bonds, the average of the net available Non-Ad Valorem Revenues of the Issuer for the last two preceding Fiscal Years were at least 1.10 times average annual debt service of the Issuer payable from the Issuer's Non-Ad Valorem Revenues, including the Series 2017 Bonds. This is demonstrated mathematically as follows:

Average of net available Non-Ad Valorem Revenues for Fiscal Years ended September 30, 2015 and September 30, 2016 (\$29,438,816) / Average Annual Debt Service (\$4,904,699) = 6.002x

3. The Issuer does not have any Non-Self-Supporting Debt bearing a variable interest rate or proposed to bear a variable interest rate.

Terms used herein shall have the meaning ascribed to such terms in Resolution No. R-76-99 adopted by the Issuer on December 14, 1999 (the "Authorizing Resolution"), and calculations have been performed in the manner prescribed by Article III, Section 4E of the Authorizing Resolution.

CERTIFIED this 23rd day of June, 2017.

CITY OF DELRAY BEACH, FLORIDA

By:



Laura Thezine
Acting Finance Director

FINANCIAL ADVISOR'S CERTIFICATE

June 23, 2017

City of Delray Beach
Delray Beach, Florida

Re: \$31,500,000 City of Delray Beach, Florida, Capital
Improvement Revenue Bonds, Series 2017 (the "Bonds")

Ladies and Gentlemen:

We have acted as Financial Advisor to the City of Delray Beach, Florida (the "City") in connection with the sale and issuance by the City of the Bonds. We make the following certifications in connection therewith:

1. The purchase price, terms and conditions relating to the sale and issuance of the Bonds meet the parameters contained in Resolution No. R-47-17, adopted by the City on June 20, 2017 (the "Supplemental Resolution"), and in particular, without limiting the generality of the foregoing, Section 2 of the Supplemental Resolution, to wit:
 - (i) the original aggregate principal amount of the Bonds does not exceed \$31,500,000;
 - (ii) the true interest cost per annum on the Bonds does not exceed 2.25%, subject to adjustment in the event of taxability or default;
 - (iii) the maximum annual debt service on the Bonds does not exceed \$3,600,000;
 - (iv) the final maturity date of the Bonds is not later than October 1, 2026;
 - (v) the purchase price of the Bonds is not less than 100% of the original aggregate principal amount of the Bonds; and
 - (vi) the maturity or sinking fund redemption schedule for the Bonds provides for principal payments in such amounts as will result in roughly equal annual debt service payments.
2. There are no finders, as defined in Section 218.386, Florida Statutes, as amended, who have been retained or who will be paid by the undersigned in connection with the issuance of the Bonds.

Very truly yours,

PFM FINANCIAL ADVISORS LLC

By: 

Name: James W. Glover

Title: Managing Director

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Delray Beach		2 Issuer's employer identification number (EIN) 59-6000308	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
100 NW 1st Avenue		3	
6 City, town, or post office, state, and ZIP code Delray Beach, Florida 33444		7 Date of issue June 23, 2017	
8 Name of issue Capital Improvement Revenue Bonds, Series 2017		9 CUSIP number N.A.	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Laura Thezine, Acting Finance Administrator		10b Telephone number of officer or other employee shown on 10a 561-243-7115	

Part II Type of issue (enter the issue price). See the instructions and attach schedule.		
11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ► General Capital Improvements	18	31,500,000 00
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/01/2026	\$ 31,500,000.00	\$ 31,500,000.00	4.9944 years	1.9603 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest	22			0
23	Issue price of entire issue (enter amount from line 21, column (b))	23	31,500,000		00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	75,450	00	
25	Proceeds used for credit enhancement	25		0	
26	Proceeds allocated to reasonably required reserve or replacement fund	26		0	
27	Proceeds used to currently refund prior issues	27		0	
28	Proceeds used to advance refund prior issues	28		0	
29	Total (add lines 24 through 28)	29	75,450		00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	31,424,550		00

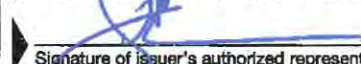
Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31	Enter the remaining weighted average maturity of the bonds to be currently refunded ► years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ► years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ►
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

Part VI Miscellaneous

- | | | | |
|------------|--|------------|-------------------------------------|
| 35 | Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) | 35 | NA |
| 36a | Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) | 36a | 0 |
| b | Enter the final maturity date of the GIC ▶ _____ | | |
| c | Enter the name of the GIC provider ▶ _____ | | |
| 37 | Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units | 37 | 0 |
| 38a | If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information: | | |
| b | Enter the date of the master pool obligation ▶ _____ | | |
| c | Enter the EIN of the issuer of the master pool obligation ▶ _____ | | |
| d | Enter the name of the issuer of the master pool obligation ▶ _____ | | |
| 39 | If the issuer has designated the issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check box | | <input type="checkbox"/> |
| 40 | If the issuer has elected to pay a penalty in lieu of arbitrage rebates, check box | | <input type="checkbox"/> |
| 41a | If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information: | | |
| b | Name of hedge provider ▶ _____ | | |
| c | Type of hedge ▶ _____ | | |
| d | Term of hedge ▶ _____ | | |
| 42 | If the issuer has superintegrated the hedge, check box | | <input type="checkbox"/> |
| 43 | If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box | | <input checked="" type="checkbox"/> |
| 44 | If the issuer has established written procedures to monitor the requirements of section 148, check box | | <input checked="" type="checkbox"/> |
| 45a | If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____ | | |
| b | Enter the date the official intent was adopted ▶ _____ | | |

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

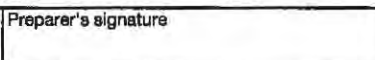

June 23, 2017
Cary D. Glickstein, Mayor

Signature of issuer's authorized representative

Date

Type or print name and title

Paid Preparer Use Only

Print preparer's name Morris G. Miller	Preparer's signature 	Date	Check <input type="checkbox"/> if self-employed	PTIN P01078858
Firm's name ▶ Greenspoon Marder, P.A.			Firm's EIN ▶ 59-2402121	
Firm's address ▶ 525 Okeechobee Blvd., Suite 900, West Palm Beach, FL 33401			Phone no. 561-838-4556	

Notice Of Sale

Printed On: 6/15/2017 5:25:33PM

Bond issue name: City of Delray Beach, Florida, Capital Improvement Revenue Bonds, Series 2017

Sale date: 06/23/2017

Closing date: 06/23/2017

Submitted by: denise.ganz@gmlaw.com

Submission date: 06/15/2017

City of Delray Beach, Florida, Capital Improvement Revenue Bonds, Series 2017

Last Save Date: 6/19/2017 2:25:18PM

Printed On: 6/19/2017 2:25:30PM

Issuer

Name of Governmental Unit:

City of Delray Beach

Mailing Address of Governmental Unit or its Manager:

100 NW 1st Avenue

Address 2:

[blank]

City:

Delray Beach

State:

FL

Zip Code:

33444

Counties in which governmental unit has jurisdiction:

[blank]

Type of Issuer:

[blank]

Is the issuer a Community Development District?

No

Bond Information

Bond Issue Detail(s):

Name of Bond Issue	Amount Issued	Interest Calculation	Yield
Capital Improvement Revenue Bonds, Series 2017	31,500,000.00	Arbitrage Yield	1.96

Amount Authorized:

31,500,000.00

Dated Date:

06/23/2017

Sale Date:

06/23/2017

Delivery Date:

06/23/2017

Legal Authority For Issuance:

Ch. 166, F.S.

Type Of Issue:

Bank Loan/Line of Credit

Is this a Private Activity Bond?

No

Specific Revenue(s) Pledged:

Primary: Annual Appropriation

Secondary: None

Purpose(s) of the Issue:

Primary: Road and Bridge Projects

Secondary: Public Safety

Is this a Refunding Issue?

No

City of Delray Beach, Florida, Capital Improvement Revenue Bonds, Series 2017

Last Save Date: 6/19/2017 2:25:18PM

Printed On: 6/19/2017 2:25:30PM

Bond Refunding Issue Details:

Name of Refunding Issue	Dated Date	Original Par Value	Par Value Refunded
-------------------------	------------	--------------------	--------------------

[blank]

Type of sale:

Negotiated Private Placement

Insurance/Enhancements:

No Credit Enhancement

Rating(s):

Moody's: NR

S & P: NR

Fitch: NR

Other: NR

Debt Service schedule provided by:

Email

Optional Redemption Provisions provided by:

Email

Participants

Provide the name and address of the Senior Managing Underwriter or Sole Purchaser.

Underwriter:

Banc of America Preferred Funding Corporation

Mailing Address of Underwriter:

150 N. College Street

Address 2:

[blank]

City:

Charlotte

State:

NC

Zip Code:

28255

Co-Underwriter:

None

Provide the names and addresses of any attorneys who advised the unit of local government with respect to the bond issue.

Bond Counsel:

Greenspoon Marder, P.A.

Mailing Address of Bond Counsel:

525 Okeechobee Boulevard

Address 2:

Suite 900

City:

West Palm Beach

State:

FL

Postal Code:

33401

Co-Bond Counsel:

None

Provide the names and addresses of any financial consultant who advised the unit of local government with respect to the bond issue.

Financial Advisor/Consultant:

PFM Financial Advisors LLC

City of Delray Beach, Florida, Capital Improvement Revenue Bonds, Series 2017

Last Save Date: 6/19/2017 2:25:18PM

Printed On: 6/19/2017 2:25:30PM

Mailing Address of Financial Advisor/Consultant:

300 S. Orange Avenue

Address 2:

Suite 1170

City:

Oriando

State:

FL

Zip Code:

32901

Co-Financial Advisor/Consultant:

None

Other Professionals:

R. Max Lohman, Esq.

Mailing Address of Other Professionals:

200 N.W. 1st Avenue

Address 2:

[blank]

City:

Delray Beach

State:

FL

Zip Code:

33444

Paying Agent:

City of Delray Beach Finance D

Registrar:

City of Delray Beach Finance D

Fees

Has any fee, bonus, or gratuity been paid by any underwriter or financial consultant, in connection with the bond issue, to any person not regularly employed or engaged by such underwriter or consultant?

Fees Paid:

Company Name	Fee Paid	Service Provided or Function Served
Mark E. Raymond, Esq.	6,500.00	Lender's Counsel

Have any other fees been paid by the unit of local government with respect to the bond issue, including any fee paid to attorneys or financial consultants?

Total Bond Counsel Fees Paid:

25,000.00

Total Financial Advisor Fees Paid:

28,950.00

Other Fees Paid:

Company Name	Fee Paid	Service Provided or Function Served
R. Max Lohman	10,000.00	Issuer's Counsel

Filing of this form has been authorized by the official of the issuer identified below:

Name:

Laura Thezine, Acting Finance Director

Title:

Governmental Officer primarily responsible for coordinating issuance of the bonds

City of Delray Beach, Florida, Capital Improvement Revenue Bonds, Series 2017

Last Save Date: 6/19/2017 2:25:16PM

Printed On: 6/19/2017 2:25:30PM

Fees charged by Underwriter:

Management Fee (per thousand per value):

0.00

OR

Private Placement Fee:

0.00

Underwriter's expected gross spread (per thousand per value):

0.00

Respondent

For additional information, the Division of Bond Finance should contact:

Name:

Morris G. (Skip) Miller

Title:

Bond Counsel

Phone:

561-838-4558

Company:

Greenspoon Marder, P.A.

Mailing Address of Respondent:

525 Okeechobee Boulevard

Address 2:

Suite 900

City:

West Palm Beach

State:

FL

Zip Code:

33401

Information relating to party completing this form (if different from above):

Name:

[blank]

Title:

[blank]

Phone:

[blank]

Company:

[blank]

Mailing Address:

[blank]

Address 2:

[blank]

City:

[blank]

State:

[blank]

Zip Code:

[blank]

Continuing Disclosure

City of Delray Beach, Florida, Capital Improvement Revenue Bonds, Series 2017

Last Save Date: 6/19/2017 2:25:18PM

Printed On: 6/19/2017 2:25:30PM

If the issuer is required to provide continuing disclosure information in accordance with SEC Rule 15C2-12, do you want the Division of Bond Finance to remind you of your filing deadline?

No

June 23, 2017

City of Delray Beach
Delray Beach, Florida

Greenspoon Marder, P.A.
West Palm Beach, Florida

Re: \$31,500,000 City of Delray Beach, Florida, Capital Improvement Revenue
Bonds, Series 2017

Ladies and Gentlemen:

In connection with the proposed issuance of the above-captioned bonds (the "Series 2017 Bonds") by the City of Delray Beach, Florida (the "Issuer"), Banc of America Preferred Funding Corporation ("BAPFC") hereby confirms that it is purchasing the Series 2017 Bonds. In consideration of the issuance and delivery of the Series 2017 Bonds, and as an inducement thereof, BAPFC hereby advises you that:

1. The business of BAPFC is that normally attributed to an institutional lender and it has made other purchases of bonds and notes issued by governmental entities similar to the Issuer and BAPFC has such knowledge and experience in governmental non ad valorem revenue supported issues that it is capable of evaluating the merits and risks of purchasing the Series 2017 Bonds.

2. During the course of the transaction, prior to the sale and delivery of the Series 2017 Bonds, BAPFC has:

- (a) received and reviewed copies in final forms of the Series 2017 Bonds, Resolution No. R-76-99 adopted by the Issuer on December 14, 1999, as amended and supplemented by Resolution No. R-47-17, adopted by the Issuer on June 20, 2017 (collectively, the "Resolution"), and all documents and instruments listed in the Transcript of Proceedings for the Series 2017 Bonds;
- (b) been afforded the opportunity to ask questions of R. Max Lohman, Esq. (the "City Attorney"), Jay Glover of PFM Financial Advisors, LLC (the "Financial Advisor"), Mark E. Raymond ("Lender's Counsel") and Morris G. (Skip) Miller, Esq. of Greenspoon Marder, P.A. ("Bond Counsel"), concerning the terms and conditions of the aforementioned documents and instruments; and
- (c) been afforded the opportunity to ask questions of officials of the Issuer concerning the financial condition of the Issuer; received all such information and materials which it has requested; and satisfied itself as to

the accuracy and completeness of such information and material. BAPFC understands that neither the City Attorney, the Financial Advisor nor Bond Counsel have been requested to undertake, and they have not undertaken, to ascertain the accuracy or completeness of any statements made in or concerning any of the information or documents relating to the financial condition of the Issuer provided to BAPFC by the Issuer and the undersigned has not relied upon the City Attorney, the Financial Advisors or Bond Counsel for such purposes.

3. BAPFC is purchasing the Series 2017 Bonds for its own account for investment and not with a view to, or the sale in connection with, any distribution of all or any part of the Series 2017 Bonds; provided that any subsequent disposition or transfer of the Series 2017 Bonds shall at all times remain in control of BAPFC.

4. BAPFC will not sell the Bonds except in compliance with all applicable Federal or State securities laws, rules or regulations, including, without limitation, the provisions of the Securities Act of 1933 and the Trust Indenture Act of 1939.

5. BAPFC has satisfied itself that the Series 2017 Bonds are a lawful investment for it under all applicable laws.

6. BAPFC acknowledges and agrees in accepting the Series 2017 Bonds that the provisions of the Resolution and of the Series 2017 Bonds supersede any agreement between BAPFC and the Issuer, including but not limited to the Offer (as described in the Resolution), and that in the event of a conflict between the Series 2017 Bonds, the Resolution and the Offer, the Resolution and the Series 2017 Bonds shall control.

Sincerely,

BANC OF AMERICA PREFERRED FUNDING CORPORATION

By: 
Mike Bowen, Authorized Agent

**\$31,500,000 CITY OF DELRAY BEACH, FLORIDA,
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2017**

**NEGOTIATED SALE DISCLOSURE STATEMENT
AND TRUTH IN BONDING STATEMENT**

Pursuant to the requirements of Section 218.385, Florida Statutes, the following information is provided by Banc of America Preferred Funding Corporation (the "Lender") to the City of Delray Beach, Florida (the "Issuer") in connection with the issuance of the Issuer's \$31,500,000 Capital Improvement Revenue Bonds, Series 2017 (the "Series 2017 Bonds").

1. The Lender estimates that the itemized list of expenses set forth in Exhibit "A" attached hereto will be incurred by it in connection with the issuance of the Series 2017 Bonds.

2. The names, addresses and estimated amounts of compensation of any finders engaged by the Lender connected with the issuance of the Series 2017 Bonds are listed below. A finder, as defined by Section 218.386(1)(a), Florida Statutes, as amended, is a person who is not regularly employed by, or not a partner or officer of, an underwriter, bank, banker, or financial consultant or adviser, and who enters into an understanding with either the issuer or the managing underwriter, or both, for any paid or promised compensation or valuable consideration directly or indirectly, expressly or implied, to act solely as an intermediary between said issuer and managing underwriter for the purpose of influencing any transaction in the purchase of such bonds.

None.

3. The amount of underwriting spread expected to be realized by the Lender in connection with the issuance of the Series 2017 Bonds is:

Not applicable.

4. The managing or similar fees to be charged by the Lender in connection with the issuance of the Series 2017 Bonds are expected to be:

None

5. The other fees, bonuses and other compensation estimated to be incurred by the Lender in connection with the Series 2017 Bonds to any person not regularly employed or retained by the Lender, are as follows:

See attached Exhibit "A."

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

Banc of America Preferred Funding Corporation
150 N. College Street
Charlotte, NC 28255

7. The Issuer is proposing to issue \$31,500,000 of debt (the "Series 2017 Bonds") for the primary purpose of financing all or a portion of the costs of such capital improvement projects as the Issuer may determine to undertake (the "Series 2017 Project"). This debt or obligation is expected to be repaid over a period of approximately 9.5833 years. At the interest rate on the Series 2017 Bonds of 1.96%, total interest paid over the life of the debt will be approximately \$3,083,570.

8. The source of repayment or security for the Series 2017 Bonds is a covenant to budget and appropriate the Issuer's legally available non-ad valorem revenues. Authorizing this debt will result in as much as \$3,548,400.00 of such revenues not being available to finance other services of the Issuer in each of the Issuer's fiscal years through the fiscal year ending September 30, 2027.

This statement is provided for the sole purpose of complying with Section 218.385, Florida Statutes, and does not change the terms of and is not evidence of the terms of the Series 2017 Bonds.

It is our understanding that the Issuer has not requested any further disclosure from the Lender.

Dated: June 23, 2017.

BANC OF AMERICA PREFERRED FUNDING CORPORATION

By: Mike Bowen
Mike Bowen, Authorized Agent

EXHIBIT "A"

EXPENSES

BANK COUNSEL \$6,500 (paid by Issuer)

CITY OF DELRAY BEACH

CITY ATTORNEY'S OFFICE

200 NW 1st AVENUE • DELRAY BEACH, FLORIDA 33444
TELEPHONE: 561/243-7090 • FACSIMILE: 561/278-4755

June 23, 2017



City of Delray Beach
Delray Beach, Florida

Banc of America Preferred Funding Corporation
Charlotte, North Carolina

Greenspoon Marder, P.A.
West Palm Beach, Florida

Re: \$31,500,000 City of Delray Beach, Florida, Capital Improvement Revenue
Bonds, Series 2017

Ladies and Gentlemen:

I am the City Attorney for the City of Delray Beach, Florida (the "Issuer") and am rendering this opinion in connection with the above referenced bonds (the "Series 2017 Bonds") in such capacity. The Series 2017 Bonds are authorized to be issued pursuant to the Charter of the Issuer, Chapter 166, Florida Statutes, and other applicable provisions of law (the "Act"), and Resolution No. R-76-99 adopted by the Issuer on December 14, 1999, as amended and supplemented by Resolution No. R-47-17, adopted by the Issuer on June 20, 2017 (collectively, the "Resolution"). The Series 2017 Bonds are being issued for the purpose of financing the Series 2017 Project (as defined in the Resolution) and paying the costs of issuance of the Series 2017 Bonds.

All terms used herein in capitalized form and not otherwise defined herein have the meaning ascribed to them in the Resolution. I have examined the law and such certified proceedings and other papers as I deem necessary to render this opinion.

Based upon the foregoing, I am of the opinion that:

1. The Issuer is duly created and validly existing as a body corporate and politic and a municipal corporation of the State of Florida. The Issuer has such powers as set forth in the Act with good, right and lawful authority to, among other things, undertake the Series 2017 Project and to provide funds therefor through the issuance of the Series 2017 Bonds, and to adopt the Resolution and to perform its obligations thereunder.

2. The Resolution has been duly adopted by the Issuer and remains in full force and effect as of the date hereof, has not been modified after its date of adoption and, to the best of our knowledge, no event has occurred that constitutes or would, with the

passage of time or the giving of notice, constitute a default by the Issuer under the terms thereof. The Resolution constitutes a valid and binding instrument, enforceable against the Issuer in accordance with its terms.

3. The Series 2017 Bonds have been duly authorized, executed and delivered by the Issuer, and constitute the legal, valid and binding obligations of the Issuer, but payable from and secured solely by the sources and in the manner provided in the Resolution.

4. To the best of my knowledge after due inquiry, neither the adoption of the Resolution nor compliance by the Issuer with the terms and conditions thereof will conflict with or result in a breach of any of the terms or provisions of the Act, the Issuer's Charter or Code of Ordinances or to the best of our knowledge of any law in force on the date hereof, or any regulation, order, writ, injunction or decree of any court or governmental authority. Additionally, to the best of my knowledge, neither the adoption of the Resolution, nor compliance by the Issuer with the terms and conditions thereof will result in a breach of any of the terms or provisions of any agreement or instrument to which the Issuer is bound, or in any such case constitutes or will constitute a default thereunder or results or will result in the creation or imposition of any encumbrance upon any of the properties or assets of the Issuer other than those encumbrances permitted by the Resolution.

5. There is no litigation pending or, to the best of my knowledge, threatened against the Issuer (a) seeking to restrain or enjoin the issuance or delivery of the Series 2017 Bonds or the application of the proceeds thereof, (b) contesting or affecting (i) the authority for the issuance of the Series 2017 Bonds; (ii) the validity or enforceability of the Series 2017 Bonds or the Resolution; or (iii) the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the Issuer or any of its officers, its ability to charge or collect revenues, its assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Issuer, including its power to levy and collect taxes, fees and other charges; (d) contesting or affecting the exclusion from gross income of interest on the Series 2017 Bonds for federal income tax purposes; or (e) which would have a materially adverse effect upon the matters provided for or contemplated by the Resolution.

6. No further authorization, approval, consent or other order of governmental authority or agency is required on the part of the Issuer for the valid adoption of the Resolution, the authorization, issuance, sale, execution and delivery of the Series 2017 Bonds and the consummation of the transactions contemplated thereby.

The foregoing opinion is qualified to the extent that the rights of the holder of the Series 2017 Bonds and the enforceability of the Series 2017 Bonds and the Resolution

may be limited by any bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Sincerely,



R. MAX LOHMAN

City Attorney, City of Delray Beach

June 23, 2017

City of Delray Beach
Delray Beach, Florida

Banc of America Preferred Funding Corporation
Charlotte, North Carolina

Re: \$31,500,000 City of Delray Beach, Florida, Capital Improvement
Revenue Bonds, Series 2017

We have been retained to act as bond counsel by the City of Delray Beach, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$31,500,000 Capital Improvement Revenue Bonds, Series 2017 (the "Series 2017 Bonds"). The Series 2017 Bonds are being issued pursuant to the Charter of the Issuer, Chapter 166, Florida Statutes, and other applicable provisions of law (the "Act"), and as Bonds pursuant to Resolution No. R-76-99 adopted by the Issuer on December 14, 1999, as amended and supplemented by Resolution No. R-47-17, adopted by the Issuer on June 20, 2017 (collectively, the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the Issuer contained in the above referenced instruments and in the certified proceedings and other certifications and opinions of public officials furnished to us without undertaking to verify the same by independent investigation. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Resolution.

Reference is made to the opinion of even date herewith, of R. Max Lohman, City Attorney, upon which we have relied with your permission, with respect to the matters set forth in said opinion.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1 The Issuer is validly existing as a body corporate and politic and a municipal corporation of the State of Florida with the corporate power to adopt the Resolution, perform the agreements on its part contained therein and issue the Series 2017 Bonds.

Boca Raton | Denver | Ft. Lauderdale | Las Vegas | Miami | Miami Beach | Naples | Nashville
New York | Orlando | Portland | Port St. Lucie | San Diego | Tallahassee | Tampa | West Palm Beach

2 The Resolution has been duly adopted by the Issuer, remains in full force and effect as of the date hereof and has not been modified after its date of adoption. The Resolution

constitutes a valid and binding instrument, enforceable against the Issuer in accordance with its terms.

3. The Series 2017 Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer, but payable from and secured solely by a covenant to budget and appropriate the Non-Ad Valorem Revenues (as defined in the Resolution), in the manner and subject to the limitations described in the Resolution.

4. Under existing statutes, regulations, rulings and judicial decisions, interest on the Series 2017 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2017 Bonds is taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations under the Internal Revenue Code of 1986, as amended (the "Code"). Ownership of the Series 2017 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Series 2017 Bonds.

The opinion set forth in the preceding paragraph assumes continuing compliance by the Issuer with certain requirements of the Code that must be met after the date of the issuance of the Series 2017 Bonds in order for interest on the Series 2017 Bonds to be excluded from gross income for federal income tax purposes. The failure to meet these requirements may cause interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2017 Bonds. The Issuer has covenanted in the Resolution to take the actions necessary to comply with such requirements and to refrain from taking any action that would cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes.

It is to be understood that the rights of the holders of the Series 2017 Bonds and the enforceability of the Series 2017 Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

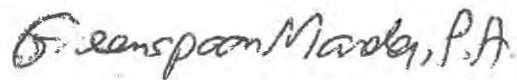
We are members of the Florida Bar and do not hold ourselves out as experts on, nor are we, in rendering our opinion herein, passing upon any matter of the laws of any jurisdiction other than the laws of the United States and the State of Florida. The opinions set forth above are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the United States of America.

This opinion letter speaks only as of the date hereof. We assume no obligation to update

or supplement this opinion letter to address any changes to applicable law occurring after the date hereof.

This opinion is rendered to you in connection with the Series 2017 Bonds. This opinion letter may not be relied upon by you for any other purpose, or relied upon by, or furnished to, any other person, firm or corporation other than a future holder of the Series 2017 Bonds without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

Sincerely,

A handwritten signature in cursive script that reads "Greenspoon Marder, P.A.".

GREENSPOON MARDER, P.A.