



CITY OF NORTH PORT, FLORIDA



**INFRASTRUCTURE SALES SURTAX
REVENUE BOND RESOLUTION**



ADOPTED SEPTEMBER 10, 2024

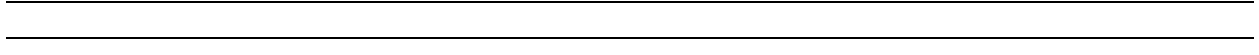


TABLE OF CONTENTS

**ARTICLE I
GENERAL**

SECTION 1.01. DEFINITIONS 3
SECTION 1.02. AUTHORITY FOR RESOLUTION 10
SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT..... 10
SECTION 1.04. AUTHORIZATION OF THE 2024 PROJECT; REIMBURSEMENT 10

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

SECTION 2.01. AUTHORIZATION OF BONDS 11
SECTION 2.02. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2024 BONDS; AWARD
OF THE SERIES 2024 BONDS; REDEMPTION OF THE SERIES 2024 BONDS. ... 11
SECTION 2.03. APPLICATION OF BOND PROCEEDS 13
SECTION 2.04. EXECUTION OF BONDS..... 13
SECTION 2.05. AUTHENTICATION 13
SECTION 2.06. TEMPORARY BONDS 13
SECTION 2.07. BONDS MUTILATED, DESTROYED, STOLEN OR LOST 14
SECTION 2.08. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER 14
SECTION 2.09. FULL BOOK ENTRY FOR SERIES 2024 BONDS 15
SECTION 2.10. FORM OF BONDS 17

**ARTICLE III
REDEMPTION OF BONDS**

SECTION 3.01. PRIVILEGE OF REDEMPTION 25
SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED 25
SECTION 3.03. NOTICE OF REDEMPTION..... 25
SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS 26
SECTION 3.05. PAYMENT OF REDEEMED BONDS 26
SECTION 3.06. PURCHASE IN LIEU OF OPTIONAL REDEMPTION 27

**ARTICLE IV
SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF**

SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER 28
SECTION 4.02. SECURITY FOR BONDS..... 28
SECTION 4.03. CONSTRUCTION FUND 28
SECTION 4.04. FUNDS AND ACCOUNTS 29
SECTION 4.05. DISPOSITION OF INFRASTRUCTURE SALES SURTAX REVENUES..... 29
SECTION 4.06. REBATE FUND..... 36
SECTION 4.07. INVESTMENTS 36
SECTION 4.08. SEPARATE ACCOUNTS..... 37

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

SECTION 5.01. SUBORDINATED INDEBTEDNESS..... 38
SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS 38
SECTION 5.03. BOND ANTICIPATION NOTES 39
SECTION 5.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH
BONDS 39

SECTION 5.05.	BOOKS AND RECORDS	39
SECTION 5.06.	NO IMPAIRMENT	40
SECTION 5.07.	RECEIPT OF INFRASTRUCTURE SALES SURTAX REVENUES	40
SECTION 5.08.	FEDERAL INCOME TAX COVENANTS	40
ARTICLE VI		
DEFAULTS AND REMEDIES		
SECTION 6.01.	EVENTS OF DEFAULT	41
SECTION 6.02.	REMEDIES.....	41
SECTION 6.03.	DIRECTIONS TO RECEIVER AS TO REMEDIAL PROCEEDINGS	42
SECTION 6.04.	REMEDIES CUMULATIVE	42
SECTION 6.05.	WAIVER OF DEFAULT	42
SECTION 6.06.	APPLICATION OF MONEYS AFTER DEFAULT	42
SECTION 6.07.	CONTROL BY CREDIT FACILITY PROVIDER.....	43
ARTICLE VII		
SUPPLEMENTAL RESOLUTIONS		
SECTION 7.01.	SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT	44
SECTION 7.02.	SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' AND CREDIT FACILITY PROVIDER'S CONSENT	44
SECTION 7.03.	AMENDMENT WITH CONSENT OF CREDIT FACILITY PROVIDERS ONLY.....	46
ARTICLE VIII		
DEFEASANCE		
SECTION 8.01.	DEFEASANCE	47
ARTICLE IX		
SERIES 2024 BOND PROVISIONS; MISCELLANEOUS		
SECTION 9.01.	PRELIMINARY OFFICIAL STATEMENT	49
SECTION 9.02.	OFFICIAL STATEMENT	49
SECTION 9.03.	OFFICIAL NOTICE OF SALE.....	49
SECTION 9.04.	APPOINTMENT OF PAYING AGENT AND REGISTRAR.....	49
SECTION 9.05.	SECONDARY MARKET DISCLOSURE	49
SECTION 9.06.	MUNICIPAL BOND INSURANCE	50
SECTION 9.07.	RESERVE ACCOUNT INSURANCE	50
SECTION 9.08.	CAPITAL APPRECIATION BONDS	51
SECTION 9.09.	SALE OF BONDS.....	51
SECTION 9.10.	GENERAL AUTHORITY	51
SECTION 9.11.	SEVERABILITY	51
SECTION 9.12.	CONFLICTS.....	51
SECTION 9.13.	EFFECTIVE DATE	52
EXHIBIT A	- FORM OF OFFICIAL NOTICE OF SALE	
EXHIBIT B	- FORM OF PRELIMINARY OFFICIAL STATEMENT	
EXHIBIT C	- FORM OF CONTINUING DISCLOSURE CERTIFICATE	



City of North Port

RESOLUTION NO. 2024-R-38

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$60,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF NORTH PORT, FLORIDA INFRASTRUCTURE SALES SURTAX REVENUE BONDS, SERIES 2024, TO FINANCE COSTS OF CERTAIN TRANSPORTATION RELATED CAPITAL IMPROVEMENTS; PLEDGING PROCEEDS OF THE LOCAL GOVERNMENT INFRASTRUCTURE SALES SURTAX RECEIVED BY THE CITY AND CERTAIN OTHER FUNDS TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF BONDS ISSUED HEREUNDER; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH BONDS ISSUED HEREUNDER; AUTHORIZING THE AWARDED OF SAID SERIES 2024 BONDS PURSUANT TO A PUBLIC BID; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER FOR THE AWARD OF THE SERIES 2024 BONDS AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID SERIES 2024 BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID SERIES 2024 BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT TO SUCH SERIES 2024 BONDS; AUTHORIZING THE USE OF AN OFFICIAL NOTICE OF SALE AND THE PUBLICATION OF A SUMMARY THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE FOR THE SERIES 2024 BONDS; DELEGATING AUTHORITY TO THE CITY MANAGER WITH RESPECT TO THE POTENTIAL PROCUREMENT OF MUNICIPAL BOND INSURANCE FOR THE SERIES 2024 BONDS; DELEGATING AUTHORITY TO THE CITY MANAGER TO DETERMINE THE RESERVE ACCOUNT REQUIREMENT FOR THE SERIES 2024 BONDS AND WHETHER TO UTILIZE A RESERVE ACCOUNT INSURANCE POLICY WITH RESPECT THERETO; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, all capitalized terms used herein shall have the definitions ascribed thereto in Article I hereof unless otherwise defined herein or the context requires otherwise.

WHEREAS, pursuant to the Act, the Issuer is authorized to pledge the Infrastructure Sales Surtax Revenues to pay the principal of, premium, if any, and interest on Bonds issued to finance or refinance capital improvements that may be lawfully financed with Infrastructure Sales Surtax Revenues under the Act.

WHEREAS, the Issuer has various capital improvement needs and requirements in the form of the 2024 Project.

WHEREAS, the most efficient and cost-effective method of acquiring, constructing and equipping the 2024 Project is by the issuance of the Series 2024 Bonds secured by the Pledged Funds.

WHEREAS, the Pledged Funds currently are not pledged or encumbered in any manner.

WHEREAS, the estimated Pledged Funds will be sufficient to pay the principal of and interest on the Series 2024 Bonds, as the same become due, and all other payments provided for in this Resolution.

WHEREAS, in accordance with Section 218.385, Florida Statutes, and pursuant to this Resolution, the Series 2024 Bonds shall be advertised for competitive bids pursuant to the Official Notice of Sale, the form of which is attached hereto as Exhibit A.

WHEREAS, pursuant to the Official Notice of Sale, any competitive bids received in accordance with the Official Notice of Sale on or prior to the date and time determined by the City Manager, upon the advice of the Financial Advisor, in accordance with the terms and provisions of the Official Notice of Sale, shall be publicly opened and announced.

WHEREAS, due to the present volatility and uncertainty of the market for tax-exempt obligations such as the Series 2024 Bonds, it is desirable for the Issuer to be able to advertise and award the Series 2024 Bonds at the most advantageous time and date which shall be determined by the City Manager upon the advice of the Financial Advisor, and, accordingly, the Issuer hereby determines to delegate the advertising and awarding of the Series 2024 Bonds to the City Manager within the parameters described herein.

WHEREAS, it is necessary and appropriate that the City Commission determine certain parameters for the terms and details of the Series 2024 Bonds and to delegate certain authority to the City Manager for the award of the Series 2024 Bonds and the approval of the terms of the Series 2024 Bonds in accordance with the provisions hereof and of the Official Notice of Sale.

WHEREAS, in the event Bond Counsel to the Issuer shall determine that the Series 2024 Bonds have not been awarded competitively in accordance with the provisions of Section 218.385, Florida Statutes, the City Commission shall adopt such resolutions or ordinances and make such findings as shall be necessary to authorize and ratify a negotiated sale of the Series 2024 Bonds in accordance with said Section 218.385, Florida Statutes.

WHEREAS, that the principal of and interest on the Bonds issued pursuant to this Resolution, and all other payments provided for in this Resolution will be paid solely from the Pledged Funds in the manner and to the extent provided herein, and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution and, except as otherwise provided herein, the Bonds shall not constitute a lien upon any property within or of the Issuer.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF NORTH PORT, FLORIDA:

ARTICLE I

GENERAL

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

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation, or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year.

"Act" shall mean the Florida Constitution, Chapter 166, Florida Statutes, Section 212.055, Florida Statutes, the City Charter, and other applicable provisions of law.

"Additional Bonds" shall mean the obligations (including, but not limited to, bond anticipation notes or other similar short-term indebtedness) issued at any time under the provisions of Section 5.02 hereof on a parity with any then Outstanding Bonds.

"Amortization Installment" shall mean an amount designated as such by, or provided for pursuant to, this Resolution or Supplemental Resolution of the Issuer and established with respect to the Term Bonds.

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

holders of such Bonds on the Interest Date, but only to the extent that the Issuer reasonably believes that it will be in receipt of such Federal Subsidy Payment on or prior to such Interest Date. Notwithstanding the foregoing, any interest payments or principal payments or Amortizations Installments with respect to any Outstanding Bonds or proposed Additional Bonds that are due and payable on October 1, shall be considered to be due and payable on the immediately preceding September 30 for purposes of determining Annual Debt Service for such Bonds hereunder.

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

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

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

"Bond Insurance Policy" shall mean a municipal bond insurance policy or financial guaranty insurance policy issued by an Insurer insuring the payment, when due, of the principal of and interest on a Series of Bonds or portion thereof as provided therein.

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

"Bonds" shall mean the Series 2024 Bonds, together with any Additional Bonds, issued pursuant to this Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

"Capital Appreciation Bonds" shall mean those Bonds, if any, so designated by Supplemental Resolution of the Issuer, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"City Charter" shall mean the City Charter of the Issuer, as the same may be amended and supplemented from time to time.

"City Commission" shall mean the City Commission of the City of North Port, Florida.

"City Manager" shall mean the City Manager of the City of North Port, Florida and such other person as may be duly authorized to act on his or her behalf.

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

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules promulgated thereunder.

"Construction Fund" shall mean the City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds Construction Fund established pursuant to Section 4.03 hereof.

"Cost" when used in connection with a Project and permitted by the Act, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project or any portion thereof; (3) any costs of land and interests therein and the costs of the Issuer incidental to such acquisition (including, without limitation, title insurance and related costs and costs associated with the examination, survey and any remediation required with respect to such land); (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during the period of construction of the Project and a reasonable period subsequent to completion of construction as the Issuer shall determine and Bond Counsel approves; (6) engineering, architectural, legal, financial advisory and other consultant fees and expenses; (7) costs and expenses of the financing incurred for the Project, including fees and expenses of any Paying Agent, Registrar, Credit Facility Provider or depository; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any interim or temporary indebtedness of the Issuer incurred for the Project; (9) costs of machinery, equipment, technology, supplies, spare parts, furniture and any other items required by the Issuer for the commencement of operation of the Project; and (10) any other costs properly attributable to such construction or acquisition or to the issuance of the Bonds which finance the Project, as determined by generally accepted accounting principles applicable to the Project, and shall include reimbursement to the Issuer for any such items of Cost paid by the Issuer prior to the issuance of the Bonds or other obligations issued to finance the Project. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

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

"Credit Facility" shall mean as to any particular Series of Bonds, a Bond Insurance Policy, a letter of credit, a line of credit or another credit or liquidity enhancement facility, as approved herein or in the Supplemental Resolution providing for the issuance of such Series of Bonds.

"Credit Facility Provider" shall mean the Insurer, bank or other financial institution issuing a Credit Facility for a particular Series of Bonds.

"Debt Service Fund" shall mean the City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds Debt Service Fund established pursuant to Section 4.04 hereof.

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

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

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

"Financial Advisor" shall mean PFM Financial Advisors LLC, or any successors or assigns.

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

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

"Hedge Agreement" shall mean an agreement in writing between the Issuer and the Counterparty pursuant to which (1) the Issuer agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on a notional amount specified in such agreement in the period specified in such agreement and (2) the Counterparty agrees to pay to the Issuer an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on all or a portion of a notional amount specified in such agreement during the period specified in such agreement.

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

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

"Infrastructure Sales Surtax Revenues" shall mean the proceeds received by the Issuer from the levy of the one-cent local government infrastructure sales surtax pursuant to Section 212.055(2), Florida Statutes, as amended, together with any other amounts distributed to the Issuer from the Discretionary Sales Surtax Clearing Trust Fund referred to in Section 212.054, Florida Statutes, as distributed in accordance with the Interlocal Agreement, as applicable, and other applicable provisions of law.

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

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

"Interest Date" or **"interest payment date"** shall be such date or dates for the payment of interest on the Bonds as provided pursuant to Sections 2.01 or 2.02 hereof.

"Interlocal Agreement" shall mean the Interlocal Agreement concerning distribution of the Infrastructure Sales Surtax Revenues, dated June 27, 1989, as amended and supplemented, among the Issuer, Sarasota County, Florida, the City of Sarasota, Florida, the City of Venice, Florida, the Town of Longboat Key, Florida and the School Board of Sarasota County, as the same may be further amended and supplemented from time to time.

"Issuer" or **"City"** shall mean the City of North Port, Florida, a municipal corporation established pursuant to the laws of the State of Florida.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding, excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which the Maximum Annual Debt Service shall at any time be computed.

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

"Mayor" shall mean the Mayor of the Issuer, and such other person as may be duly authorized to act on his or her behalf, including, in the Mayor's absence or unavailability, the Vice-Mayor of the Issuer.

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

"Official Notice of Sale" shall mean the Official Notice of Sale to be published in connection with the public sale of the Series 2024 Bonds, the substantial form of which is attached hereto as Exhibit A.

"Outstanding" when used with reference to the Bonds and as of any particular date, shall describe all of the Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or Bonds have been issued to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or Bonds under Sections 2.07 and 2.08 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds cancelled after purchase in the open market or because of payment at maturity or upon redemption.

"Paying Agent" shall mean for each Series of Bonds, the paying agent appointed by the Issuer for such Series of Bonds and its successors and assigns, if any. With respect to the Series 2024 Bonds, "Paying Agent" shall mean Argent Trust Company and its successors and assigns.

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

"Pledged Funds" shall mean (1) the Infrastructure Sales Surtax Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except (A) for the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions hereof.

"Policy Costs" shall mean all amounts owed by the Issuer to an issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit, including but not limited to, repayments of draws made with respect thereto, interest and expenses.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable at the option of the obligor prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund consisting

only of cash or Refunding Securities, secured in the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Refunding Securities, which have been deposited in such fund along with any cash on deposit in such fund, are sufficient, as verified by an independent certified public accountant, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above, and (4) which are rated in the highest rating category of Standard & Poor's, Fitch or Moody's.

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

"Project" shall mean the 2024 Project and the acquisition, construction and equipping of such additional capital improvements, properties and facilities and other activities or items that are subsequently approved by the Issuer and which may be lawfully financed with Infrastructure Sales Surtax Revenues pursuant to the Act.

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

"Rebate Fund" shall mean the City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds, Rebate Fund established pursuant to Section 4.04 hereof.

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

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

"Registrar" shall mean for each Series of Bonds, any registrar appointed by the Issuer for such Series of Bonds and its successors and assigns, if any. With respect to the Series 2024 Bonds, "Registrar" shall mean Argent Trust Company and its successors and assigns.

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

"Reserve Account Insurance Policy" shall mean an insurance policy or surety bond deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

"Reserve Account Letter of Credit" shall mean an unconditional irrevocable letter of credit or line of credit (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account or subaccount therein, an amount equal to the lesser of (1) Maximum Annual Debt Service for all

Outstanding Bonds secured thereby, (2) 125% of the average Annual Debt Service for all Outstanding Bonds secured thereby, or (3) the maximum amount of Bond proceeds which may be deposited to the Reserve Account without subjecting the same to yield restriction under the Code, or causing interest on any of the Bonds secured thereby (other than Taxable Bonds) to be included in gross income for purposes of federal income taxation or otherwise violating applicable provisions of the Code; provided, however, the Issuer may establish hereby or by Supplemental Resolution a lesser Reserve Account Requirement with respect to any particular Series of Bonds pursuant to Section 4.05(A)(4) hereof, which Reserve Account Requirement may be \$0.00. For the purpose of determining the Reserve Account Requirement on any Variable Rate Bonds, the interest rate on the Variable Rate Bonds shall be assumed to be the rate calculated in accordance with Section 5.02(B) hereof. The Reserve Account Requirement shall be calculated as of September 30 of each year with respect to the next succeeding Fiscal Year.

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

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

"Revenue Fund" shall mean the City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds Revenue Fund established pursuant to Section 4.04 hereof.

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

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

"Series 2024 Bonds" shall mean the City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds, Series 2024, authorized and issued pursuant to Section 2.02 of this Resolution.

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

"State" shall mean the State of Florida.

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

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

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

"Term Bonds" shall mean Bonds which shall be designated as or authorized to be Term Bonds by this Resolution or Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installment.

"2024 Project" shall mean the Price Boulevard Widening Project, as more particularly described in the plans and specifications on file or to be on file with the Issuer, as the same may be modified or amended from time to time.

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

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

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

Words importing the masculine gender include every other gender.

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

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act.

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

SECTION 1.04. AUTHORIZATION OF THE 2024 PROJECT; REIMBURSEMENT. (A) The Issuer hereby authorizes the acquisition, construction and equipping of the 2024 Project.

(B) The Issuer may reimburse itself from proceeds of the Series 2024 Bonds for any funds the Issuer has expended or expends for the 2024 Project to the extent Bond Counsel approves the reimbursement. Such expenditures have been made and/or are expected to be made from the Issuer's Surtax Capital Projects Fund, the Road and Drainage Fund, and the Transportation Impact Fee Fund. The expenditures to be reimbursed shall be consistent with the Issuer's budgetary and financial policy as being the type of expenditures which shall be paid on a long-term basis. It is the intent that this Resolution meets the requirements of Treasury Regulations Section 1.150-2 and to be a declaration of official intent under such Section.

ARTICLE II

AUTHORIZATION, TERMS, SALE, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. This Resolution creates an issue of Bonds of the Issuer to be designated as "City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or a Supplemental Resolution or as limited by the Act or by applicable law.

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

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

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; and the proceeds shall be used in such manner; all as determined hereby or by Supplemental Resolution of the Issuer in accordance with the provisions of the Act. The Issuer may issue Bonds which may be secured by a Credit Facility all as shall be determined hereby or by Supplemental Resolution of the Issuer.

SECTION 2.02. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2024 BONDS; AWARD OF THE SERIES 2024 BONDS; REDEMPTION OF THE SERIES 2024 BONDS. (A) In accordance with the Act and the terms of this Resolution, there is hereby created an issue of Bonds of the Issuer to be designated as "City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds, Series 2024" (or such other designation as the City Manager may determine), to be issued in the aggregate principal amount of not exceeding \$60,000,000, for the purposes of financing and/or reimbursing the Costs of the acquisition, construction and equipping of the 2024 Project, funding the Reserve Account, if so determined by the City Manager, and paying costs of issuance of the Series 2024 Bonds, including the premiums for any Bond Insurance Policy or Reserve Account Insurance Policy that the City Manager determines to obtain. The aggregate principal amount of Series 2024 Bonds to be issued pursuant to the Resolution shall be determined by the City Manager upon the advice of the Financial Advisor provided such aggregate principal amount does not exceed \$60,000,000.

The Series 2024 Bonds shall be dated their date of delivery (or such other date as shall be determined by the City Manager), shall be issued in the form of fully registered Bonds in denominations of \$5,000 or any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R", shall bear interest from their dated date, payable semi-annually, on January 1 and July 1 of each year (the "Interest Dates"), commencing on July 1, 2025 (or such other date as shall be

determined by the City Manager). The Series 2024 Bonds shall bear interest computed on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2024 Bonds shall bear interest at such rates and prices or yields, shall mature on July 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as determined by the City Manager subject to the conditions set forth in this Section 2.02 and the provisions of the Official Notice of Sale. The final maturity of the Series 2024 Bonds shall not be later than July 1, 2039. All of the terms of the Series 2024 Bonds will be included in a certificate to be executed by the City Manager following the award of the Series 2024 Bonds (the "Award Certificate") and shall be set forth in the final Official Statement, as described herein.

Interest on the Series 2024 Bonds shall be payable by check or draft of the Paying Agent made payable and mailed to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) next preceding the applicable Interest Date, or, at the request of such Holder, by bank wire transfer to the account of such Holder. Except as otherwise provided in Section 2.09 hereof, principal of the Bonds is payable to the Holder, at the designated corporate trust office of the Paying Agent. The principal of, redemption premium, if any, and interest on the Bonds are payable in lawful money of the United States of America. All payments of principal and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(B) The City Manager, on behalf of the Issuer and only in accordance with the terms hereof and of the Official Notice of Sale, shall award the Series 2024 Bonds to the underwriter or underwriters (the "Underwriters") that submit a bid proposal which complies in all respects with this Resolution and the Official Notice of Sale and offers to purchase the Series 2024 Bonds at the lowest true interest cost to the Issuer, as calculated by the Financial Advisor in accordance with the terms and provisions of the Official Notice of Sale; provided, however, the Series 2024 Bonds shall not be awarded to any bidder unless the true interest cost set forth in the winning bid (as calculated by the Financial Advisor) is equal to or less than 5.25%. In accordance with the provisions of the Official Notice of Sale, the City Manager may, in his sole discretion, reject any and all bids.

(C) The Series 2024 Bonds may be redeemed prior to their respective maturities from any moneys legally available therefor, upon notice as provided in Section 3.03 hereof, upon the terms and provisions as determined by the City Manager, in his discretion and upon the advice of the Financial Advisor; provided, however, with respect to optional redemption terms for the Series 2024 Bonds, if any, the first optional redemption date may be no later than July 1, 2034 and there shall be no call premium relating to any optional redemption. Terms Bonds may be established in accordance with the provisions of the Official Notice of Sale. The redemption provisions for the Series 2024 Bonds, if any, shall be set forth in the Award Certificate and in the final Official Statement. Notwithstanding the foregoing, the City Manager, upon the advice of the Financial Advisor, may determine to issue the Series 2024 Bonds without any optional redemption provisions.

(D) The City Manager is authorized and directed to determine, upon the advice of the Financial Advisor, whether any portion of the Series 2024 Bonds shall be insured by a Bond Insurance Policy described in Section 9.06 hereof. The City Manager is authorized and directed to determine, upon the advice of the Financial Advisor, the Reserve Account Requirement for the Series 2024 Bonds, which Reserve Account Requirement may be \$0.00. If the Reserve Account Requirement is determined by the City Manager to be greater than \$0.00, the City Manager is authorized and directed to, upon the advice

of the Financial Advisor, determine whether to fund the Reserve Account with cash or a Reserve Account Insurance Policy described in Section 9.07 hereof.

SECTION 2.03. APPLICATION OF BOND PROCEEDS. (A) The proceeds derived from the sale of the Series 2024 Bonds, including premium, if any, shall be applied by the Issuer as follows:

- (i) If the City Manager determines that any of the Series 2024 Bonds will be insured by the Bond Insurance Policy described in Section 9.06 hereof, a sufficient amount of the Series 2024 Bond proceeds will be applied to the payment of the premium for such Bond Insurance Policy.
- (ii) If the City Manager determines that the Reserve Account Requirement is greater than \$0.00, a sufficient amount of the Series 2023 Bond proceeds will either be deposited to the Reserve Account or applied to the payment of the premium for a Reserve Account Insurance Policy, as described in Section 9.07.
- (iii) A sufficient amount of the proceeds of the Series 2024 Bonds shall be applied to pay costs of issuance of the Series 2024 Bonds.
- (iv) The balance of the Series 2024 Bond proceeds shall be deposited to the 2024 Project Account of the Construction Fund established pursuant to Section 4.03 hereof to pay Costs of the 2024 Project

(B) The proceeds of any Series of Additional Bonds shall be applied by the Issuer in accordance with the provisions of the Supplemental Resolution authorizing such Series of Bonds.

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

SECTION 2.05. AUTHENTICATION. No Bond shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.10 hereof.

SECTION 2.06. TEMPORARY BONDS. Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 2.04 hereof, and deliver, upon authentication by the Registrar

pursuant to Section 2.05 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by subsequent ordinance or resolution, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.07. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.07 shall constitute original contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.08. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

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

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

authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

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

In all cases in which the privilege of exchanging Bonds or the transfer of Bonds shall be registered, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the Mayor and Clerk for purposes of exchanging, replacing or registering the transfer of Bonds may occur at the time of the original delivery of the Bonds. All Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar for safekeeping until directed by the Issuer to be cancelled by the Registrar. For every such exchange or registration of transfer, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of the Bonds during the period commencing on the fifteenth day of the month immediately preceding an Interest Date on the Bonds and ending on such Interest Date, or, in the case of any proposed redemption of Bonds of such Series, then, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

The Issuer may elect to issue any Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by Supplemental Resolution. In accordance with Section 2.09 hereof, the Issuer elects to initially provide for a book entry only system of registration for the Series 2024 Bonds.

SECTION 2.09. FULL BOOK ENTRY FOR SERIES 2024 BONDS. Notwithstanding the provisions set forth in Section 2.08 hereof, the Series 2024 Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of the Series 2024 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). All of the Outstanding Series 2024 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Series 2024 Bonds shall be registered in the name of Cede & Co., all payments of principal on the Series 2024 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Series 2024 Bonds, upon presentation of the Series 2024 Bonds to be paid to the Paying Agent.

With respect to the Series 2024 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the "Participants"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2024 Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2024 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal of, redemption premium, if any, or interest on the Series 2024 Bonds. The Issuer, the Registrar and the Paying Agent shall treat and consider the Person in whose name each Series 2024 Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Bond for the purpose of payment of principal, redemption premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Series 2024 Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal, redemption premium, if any, and interest on the Series 2024 Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, redemption premium, if any, and interest pursuant to the provisions of this Resolution. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in Section 2.08 with respect to transfers during the 15 days next preceding an Interest Date or mailing of notice of redemption, the words "Cede & Co." shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2024 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2024 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer that such book-entry only system is burdensome or undesirable to the Issuer, the Series 2024 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of this Resolution. In such event, the Issuer shall issue, and the Registrar shall authenticate, transfer and exchange the Series 2024 Bonds of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal of and interest on the Series 2024 Bonds.

SECTION 2.10. FORM OF BONDS. The text of the Bonds, except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Issuer, shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

[Remainder of page intentionally left blank]

No. R-

§

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF NORTH PORT, FLORIDA
INFRASTRUCTURE SALES SURTAX REVENUE BOND, SERIES _____**

<u>Interest</u>	<u>Maturity</u>	<u>Date of</u>	
<u>Rate</u>	<u>Date</u>	<u>Original Issue</u>	<u>CUSIP</u>

Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of North Port, Florida, a municipal corporation established pursuant to the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest, calculated on the basis of a 360-day year consisting of twelve 30-day months, on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate identified above on _____ 1 and _____ 1 of each year commencing _____ 1, _____ until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount on this Bond is payable at the designated corporate trust office of _____, _____, _____, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by _____, _____, _____, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the request of such Registered Holder, by bank wire transfer for the account of such Holder.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued for the principal purpose of providing moneys for _____, all as more particularly described in the _____

hereinafter defined Resolution, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 166, Florida Statutes, Section 212.055, Florida Statutes, the City Charter (as defined in the Resolution), and other applicable provisions of law (collectively, the "Act"), and Resolution No. ____ of the Issuer adopted on September 10, 2024 (as amended and supplemented from time to time, the "Resolution"), and is subject to all the terms and conditions of the Resolution. Capitalized terms used herein shall have the definitions ascribed thereto in the Resolution.

This Bond and the interest hereon are payable from and secured by a pledge of and lien upon (1) the Infrastructure Sales Surtax Revenues, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established under the Resolution except (A) for the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution.

THIS BOND SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE A SPECIAL OBLIGATION OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT SET FORTH IN THE RESOLUTION. NO HOLDER OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE ISSUER EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

The transfer of this Bond is registrable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. For every such exchange or registration of transfer, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of the Bonds during the period commencing on the 15th day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds of such Series, then, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

[Insert Redemption Provisions]

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least 20 days prior to the redemption date to the

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

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

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

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

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

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

CITY OF NORTH PORT, FLORIDA

By: _____

Mayor

(SEAL)

ATTEST:

By: _____

City Clerk

Approved as to form and correctness

By: _____

City Attorney

CERTIFICATE OF AUTHENTICATION

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

DATE OF AUTHENTICATION:

_____, Registrar

Authorized Signatory

ASSIGNMENT

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

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

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

Dated: _____

Signature guaranteed:

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

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

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

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entirety

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

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

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

ARTICLE III

REDEMPTION OF BONDS

SECTION 3.01. PRIVILEGE OF REDEMPTION. (A) The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution.

(B) The Series 2024 Bonds shall be subject to such optional and mandatory sinking fund redemption provisions as are determined by the City Manager in accordance with Section 2.02(C) hereof and as set forth in the Official Statement (referred to in Section 9.02 hereof).

(C) Additional Bonds shall be subject to redemption in accordance with and as provided in the terms of the Supplemental Resolution setting forth the details of such Additional Bonds.

SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least thirty-five (35) days prior to the redemption date (unless a shorter time period is satisfactory to the Registrar, but in no event less than twenty-five (25) days) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not less than twenty-five (25) days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer or by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof. Notwithstanding the foregoing, if less than all of a Term Bond is to be redeemed the aggregate principal amount to be redeemed shall be allocated to the Amortization Installments on a pro-rata basis unless the Issuer, in its discretion, designates a different allocation.

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

SECTION 3.03. NOTICE OF REDEMPTION. Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agent of such Bonds and (B) shall be mailed first class, postage prepaid, at least twenty (20) days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail notice to the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial

redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Paying Agent at an address specified, (10) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption; and provided, further, that such notice and the redemption set forth therein may be subject to the satisfaction of one or more additional conditions set forth therein, and (11) any other conditions that must be satisfied prior to such redemption.

In addition to the mailing of the notice described above, each notice of redemption and payment of the redemption price shall meet the following requirement; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

(A) Each further notice of redemption shall be sent to the Electronic Municipal Market Access of the Municipal Securities Rulemaking Board within ten (10) business days of the mailing of the redemption notice to Holders.

(B) Each further notice of redemption shall be sent to such other Person, if any, as shall be required by applicable law or regulation.

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

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

SECTION 3.05. PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. Each check or other transfer of funds issued by the Paying Agent to pay the Redemption Price of Bonds being redeemed shall bear the CUSIP number or numbers of such Bonds and identify the payments

applicable to each CUSIP number. All Bonds which have been redeemed shall be cancelled by the Registrar and shall not be reissued.

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

[Remainder of page intentionally left blank]

ARTICLE IV**SECURITY, SPECIAL FUNDS AND
APPLICATION THEREOF**

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

SECTION 4.02. SECURITY FOR BONDS. Except as otherwise provided herein or by Supplemental Resolution, the payment of the principal of and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds; provided, however, (i) a Series of Bonds may be further secured by a Credit Facility in addition to the security provided herein; and (ii) a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a separate subaccount in the Reserve Account for such Series of Bonds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of and interest on the Bonds in accordance with the provisions hereof. In addition, the Issuer does hereby irrevocably pledge and grant a lien upon the Pledged Funds to the payment of Policy Costs owing to an issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit in accordance with the provisions hereof; provided, however, such pledge and lien shall be junior and subordinate in all respects to the pledge and lien upon such Pledged Funds granted hereby to the Bondholders. The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer. Except as otherwise provided by Supplemental Resolution or by the terms of a Qualified Hedge Agreement, the obligation of the Issuer to make Hedge Payments to a Counterparty pursuant to such Qualified Hedge Agreement shall be on parity with the Bonds as to lien on and pledge of the Pledged Funds in accordance with the terms hereof (any other payments related to a Qualified Hedge Agreement, including fees, penalties and termination payments and the obligation of the Issuer to collateralize, shall be Subordinated Indebtedness of the Issuer).

SECTION 4.03. CONSTRUCTION FUND. The Issuer covenants and agrees to establish a special fund to be known as the "City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds Construction Fund," which shall be used only for payment of the Costs of Projects. Moneys in the Construction Fund, until applied to payment of any item of the Costs of a Project in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The Issuer shall establish within the Construction Fund a separate account for each Project, the Costs of which are to be paid in whole or in part out of the Construction Fund. There is hereby created for the 2024 Project an account to be known as the "2024 Account" of the Construction Fund.

The Issuer covenants that the acquisition, construction and equipping of each Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall only make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the

Project for which such account was established, except as provided below with respect to any surplus proceeds in a particular account. The Issuer shall keep records of such disbursements and payments and shall retain all such records for such period of time as is required by applicable law.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on the Series of Bonds for which such account was established or to reimburse a Credit Facility Provider for the payment of such principal and interest.

The date of completion of acquisition, construction and equipping of a Project shall be filed by the City Manager or Clerk or other appropriate officer of the Issuer in the records of the Issuer. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the Costs of such Project, the Issuer shall deposit in the following order of priority any balance of moneys remaining in the Construction Fund in (A) any other account established in the Construction Fund for which the City Manager certifies that there are insufficient moneys to pay the Costs of the Project for which such account was established, (B) the Reserve Account to the extent of any deficiency therein, (C) the Interest Account to pay interest coming due on the Bonds, and (D) such other fund or account established hereunder as shall be determined by the Issuer, provided the Issuer has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds (other than Taxable Bonds) from gross income for purposes of federal income taxation.

SECTION 4.04. FUNDS AND ACCOUNTS. The Issuer covenants and agrees to establish the following funds and accounts:

(A) The "City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds Revenue Fund." The Issuer shall maintain two separate accounts in the Revenue Fund, the "Restricted Revenue Account" and the "Unrestricted Revenue Account."

(B) The "City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds Debt Service Fund." The Issuer shall maintain four separate accounts in the Debt Service Fund, the "Interest Account," the "Principal Account," the "Bond Amortization Account" and the "Reserve Account."

(C) The "City of North Port, Florida Infrastructure Sales Surtax Revenue Bonds Rebate Fund."

Moneys in the aforementioned funds and accounts, other than the Rebate Fund and the Unrestricted Revenue Account, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

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

SECTION 4.05. DISPOSITION OF INFRASTRUCTURE SALES SURTAX REVENUES. (A) The Issuer shall promptly deposit upon receipt from the State all of the Infrastructure Sales Surtax Revenues into the

Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 25th day of each month, commencing in the month immediately following delivery of any of the Bonds to the purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

- (1) Interest Account. The Issuer shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all of the Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). All Hedge Receipts shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which the Issuer has determined are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Issuer (a) for deposit with the Paying Agent to pay the interest on the Bonds on or prior to the date the same shall become due, whether by maturity, redemption or otherwise, and (b) for Hedge Payments. The Issuer shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Counterparty to such Qualified Hedge Agreement relating to such Bonds shall be paid to the Counterparty to such Qualified Hedge Agreement on a parity basis with the aforesaid required payments into the Debt Service Fund. With respect to any Variable Rate Bonds, the amount to be deposited to the Interest Account shall be determined using an interest rate assumed to be the rate calculated in accordance with Section 5.02(B) hereof; provided, however, the Issuer shall adjust the amount on deposit in the Interest Account prior to each Interest Date so as to provide sufficient moneys to pay the actual interest due on such Variable Rate Bonds on such Interest Date.
- (2) Principal Account. Commencing in the month which is one year prior to the first principal due date (or if the first principal due date is less than one year from the date of issuance of the Bonds, the month immediately following the issuance of the Bonds), the Issuer shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount on the Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding payment due date from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the Issuer for deposit with the Paying Agent to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. The Issuer shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds becoming due on such principal payment date.

No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

- (3) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said Account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided or as provided by Supplemental Resolution, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Issuer, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established at a price not exceeding par plus accrued interest, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms at a price not exceeding par plus accrued interest. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the

purchase or redemption of Term Bonds shall be paid by the Issuer from the Restricted Revenue Fund.

- (4) Reserve Account. There shall be deposited to the Reserve Account an amount which would enable the Issuer to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than twelve (12) months from the date such deficiency first occurred, whether such shortfall was caused by an increase in the applicable Reserve Account Requirement, a decrease in the aggregate market value of the investments therein of more than 5% (determined as of each September 30), or withdrawal (whether from cash or a draw on a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the Issuer to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the Issuer into the Solid Waste System Reserve Fund and applied as directed by Bond Counsel. The Issuer shall promptly inform each Insurer and Credit Bank of any draw upon the Reserve Account for purposes of paying the principal of or Redemption Price, if applicable, and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the Reserve Account in an amount at least equal to the applicable Reserve Account Requirement to the extent such Series of Bonds are to be secured by the Reserve Account or any subaccount therein; provided, however, nothing herein shall be construed to require the Issuer to fund the Reserve Account or any subaccount for any Series of Bonds. Upon the adoption of the Supplemental Resolution authorizing the issuance of a Series of Bonds, the Issuer shall determine whether such Series of Bonds shall be secured by the Reserve Account or any subaccount therein and, if the Issuer determines that the Series of Bonds will be secured by a separate subaccount therein, the Issuer shall also establish the Reserve Account Requirement applicable thereto. Such required amount, if any, shall be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account or subaccount therein over a period of months from the date of issuance of such Series of Bonds, which shall not exceed 36 months.

Notwithstanding the foregoing provisions, in lieu or substitution of the required deposits into the Reserve Account, the Issuer may cause to be deposited into the Reserve Account a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account, if any. The Issuer may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account upon compliance with the terms of this Section 4.05(A)(4). Such Reserve Account Insurance

Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any principal payment date or Interest Date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. Upon the initial deposit of any such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, the provider thereof shall be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"), or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating in one of the two highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"). Any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall equally secure all Bonds secured by the Reserve Account or subaccount into which such Policy or Letter of Credit is deposited.

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

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

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

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

The term "Paying Agent" as used in this Section 4.05(A)(4) may include one or more Paying Agents for the Outstanding Bonds.

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

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

In the event the Issuer shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in the Reserve Account or any subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance Policy or Reserve Account Letter of Credit. The provisions of the any reserve account insurance policy agreements, when executed and delivered, shall be incorporated herein by reference. The provisions of such Agreements shall supersede the provisions hereof to the extent of any conflict herewith.

- (5) Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.05(A)(1) through (A)(4) hereof may be transferred, at the discretion of the Issuer, to the Unrestricted Revenue Account or any other appropriate fund and account of the Issuer and may be used for any lawful purpose including, without limitation, the early redemption of Bonds. In the event moneys on deposit in the Interest Account and the Principal Account on the third day prior to an Interest Date are not sufficient to pay the principal of and interest on the Bonds coming due on such Interest Date, the Issuer shall transfer moneys from the Unrestricted Revenue Account, if any, to the appropriate Account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

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

(C) At least one business day prior to the date established for payment of any principal of or interest on the Bonds, the Issuer shall withdraw from the appropriate Account of the Debt Service Fund sufficient moneys to pay such principal or interest and deposit such moneys with the Paying Agent. Such deposits with the Paying Agent shall be made in moneys available to make payments of the principal of and interest on the Bonds as the same becomes due.

(D) In the event the Issuer shall issue a series of Bonds secured by a Credit Facility, the Issuer may establish such separate subaccounts in the Interest Account, the Principal Account and the Bond Amortization Account to provide for payment of the principal of and interest on such Series as may be required by the Credit Facility Provider; provided one Series of Bonds shall not have preference in payment from Pledged Funds over any other Series of Bonds. The Issuer may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in this Section 4.05 as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds. In the case of Bonds secured by a Credit Facility, amounts on deposit in any subaccounts established for such Bonds may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Facility Provider for amounts drawn under such Credit Facility to pay the principal of or redemption price, if applicable, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the Holders thereof for payment.

(E) The Issuer agrees that at the time of issuing any Variable Rate Bonds it shall establish the Maximum Interest Rate with respect thereto and a Maximum Interest Rate with respect to amounts owed to the Credit Facility Provider which provides liquidity for such Bonds. Any Credit Facility Provider which

provides a Credit Facility for liquidity purposes must be rated in one of the two highest short-term rating categories assigned by each rating agency rating the Bonds secured by such Credit Facility. Any accelerated principal payments due to a Credit Facility Provider or any interest due in excess of the interest rate on the Variable Rate Bonds to a Credit Facility Provider must be subordinate to the payment of the scheduled debt service on the Bonds.

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

- (A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;
- (B) depositing the amount determined in clause (A) above into the Rebate Fund;
- (C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and
- (D) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

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

SECTION 4.07. INVESTMENTS. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such Fund or Account. Moneys on deposit in the Reserve Account may be invested and reinvested in Authorized Investments which mature no later than ten (10) years from the date of investment. All investments shall be valued at the market price thereof. Investments in the Reserve Account shall be valued by the Issuer on an annual basis as of September 30 of each year.

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

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

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

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

[Remainder of page intentionally left blank]

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

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

SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided.

The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing or refinancing the Costs of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the Issuer or of any other indebtedness of the Issuer. No such Additional Bonds shall be issued unless (1) no Event of Default (as specified in Section 6.01 hereof) shall have occurred and be continuing hereunder and (2) the following conditions are complied with:

(A) Except as otherwise provided in Section 5.02(D) hereof, there shall have been obtained and filed with the Issuer a certification of the City Manager: (1) stating that he or she has examined the books and records of the Issuer relating to the Infrastructure Sales Surtax Revenues which have been received by the Issuer for deposit to the Restricted Revenue Account; (2) setting forth the amount of such Infrastructure Sales Surtax Revenues during any twelve (12) consecutive months designated by the Issuer within the twenty-four (24) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the amount of such Infrastructure Sales Surtax Revenues received during the aforementioned 12-month period equals at least 2.0 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such certification may be partially based upon a certification of certain matters related to the calculation of the Maximum Annual Debt Service by the Financial Advisor.

(B) For the purpose of determining the Maximum Annual Debt Service under Section 5.02(A) hereof, determining the interest deposit requirement under Section 4.05(A)(1) and for determining the Reserve Account Requirement for any Variable Rate Bonds, the interest rate on any Variable Rate Bonds then proposed to be issued and on any Outstanding Variable Rate Bonds shall be deemed to be the lesser of (1) the interest rate for 20-year revenue bonds published by *The Bond Buyer* no more than two weeks prior to the sale of the Variable Rate Bonds or the applicable determination, or (2) the Maximum Interest Rate.

(C) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution. Except as provided in Sections 4.02 and 4.05 hereof, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the Issuer shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Additional Bonds pursuant to this Section 5.02 that in the event the principal thereof is accelerated due to such Bonds being held by the Credit Facility Provider, the lien of any accelerated debt due and owing such Credit Facility Provider on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by this Resolution.

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

(E) In the event the Act is amended to provide for additional Infrastructure Sales Surtax Revenues to be distributed to the Issuer, the Issuer may, by Supplemental Resolution, extend the pledge of the Infrastructure Sales Surtax Revenues created pursuant to the terms of this Resolution to include such additional Infrastructure Sales Surtax Revenues and may then for the purpose of determining whether there are sufficient Infrastructure Sales Surtax Revenues to meet the coverage tests specified in Section 5.02(A), assume that such additional Infrastructure Sales Surtax Revenues were in effect during the applicable twelve (12) consecutive month period.

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

SECTION 5.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS. The Issuer may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Issuer shall meet all the requirements imposed upon the issuance of Additional Bonds by Section 5.02 hereof, assuming, for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds and (B) the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.05(A)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

SECTION 5.05. BOOKS AND RECORDS. The Issuer will keep books and records of the receipt of the Infrastructure Sales Surtax Revenues in accordance with generally accepted accounting principles, and any Credit Facility Provider, or Holder or Holders of at least \$1,000,000 aggregate principal amount of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

SECTION 5.06. NO IMPAIRMENT. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution, agreement or other proceedings of the Issuer. The Issuer will not take any action or enter into any agreement that shall result in impairing or reducing the level of Infrastructure Sales Surtax Revenues received by the Issuer from that level prevailing at the time the Issuer takes such action or enters into such agreement. The Issuer shall not enter any amendment to the Interlocal Agreement that would otherwise materially impair the rights of the Holders of then Outstanding Bonds.

SECTION 5.07. RECEIPT OF INFRASTRUCTURE SALES SURTAX REVENUES. The Issuer covenants to do all things necessary or required on its part by the Act or otherwise to entitle the Issuer to receive the Infrastructure Sales Surtax Revenues in the amounts it is entitled to receive. The Issuer shall exercise all legally available remedies to enforce such receipt now or hereafter available under law.

SECTION 5.08. FEDERAL INCOME TAX COVENANTS. (A) The Issuer covenants with the Holders of the Bonds (other than Taxable Bonds) that it shall not use the proceeds of the Bonds in any manner which would cause the interest on the Bonds to be or become includable in gross income for purposes of federal income taxation.

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

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

[Remainder of page intentionally left blank]

ARTICLE VI

DEFAULTS AND REMEDIES

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

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

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

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of sixty (60) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of the Outstanding Bonds or any Credit Facility Provider. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

SECTION 6.02. REMEDIES. Any Holder of the Bonds or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, Credit Facility Provider, trustee, receiver or other person shall have the right to declare the Bonds immediately due and payable except to the extent the acceleration of any Variable Rate Bonds secured by a Credit Facility is provided for in a Supplemental Resolution or other documentation relating to such Credit Facility, the provisions of which are approved by all other Credit Facility Providers; provided, however, any accelerated principal payments due to a Credit Facility Provider or any interest due in excess of the interest rate on the Variable Rate Bonds to a Credit Facility Provider must be subordinate to the payment of the scheduled debt service on the Bonds.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five per cent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve

shall be filed with the Issuer and the trustee and notice of appointment shall promptly be given to all Holders of Bonds by first class mail, postage prepaid. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

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

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

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

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

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

(B) To the payment of the interest and principal then due on the Bonds (provided such payments are made in accordance with applicable law), as follows:

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

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

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference.

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

- (C) To the payment of all amounts owed to the Credit Facility Providers not covered by (A) or (B) above on a pro rata basis.

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

ARTICLE VII

SUPPLEMENTAL RESOLUTIONS

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

- (A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.
- (B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.
- (C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.
- (D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.
- (E) To specify and determine any matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.
- (F) To specify and determine the matters and things referred to in Sections 2.01, 2.02, 2.10 or 5.02 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.
- (G) To authorize Additional Bonds or Projects or to change or modify Projects.
- (H) To provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds issued hereunder.
- (I) To make any other change that, in the opinion of the Issuer, as evidenced by a certificate of the City Manager or the Mayor, would not materially adversely affect the security for the Bonds.

SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' AND CREDIT FACILITY PROVIDER'S CONSENT. Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose

of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Credit Facility Providers. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution or as otherwise permitted hereby, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of separate subaccounts in the Reserve Account as permitted hereby), or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or a Credit Facility Provider of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

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

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

The Issuer may adopt the Supplemental Resolution approving the amendments subject to the consents and approvals described in this Section 7.02.

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

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

Notwithstanding any other provision of this Section 7.02, to the extent permitted by law, at the time of issuance or remarketing of Bonds under this Resolution, a broker, dealer or municipal securities dealer, serving as underwriter or remarketing agent for such Bonds, or as agent for or in lieu of Holders of the Series Bonds, may provide consent to amendments to this Resolution pursuant to this Section 7.02.

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

SECTION 7.03. AMENDMENT WITH CONSENT OF CREDIT FACILITY PROVIDERS ONLY. For purposes of amending this Resolution pursuant to Section 7.02 hereof, a Credit Facility Provider providing a Credit Facility shall be considered the Holder of such Bonds which it has such Credit Facility. The consent of the Holders of such Bonds shall not be required if the Credit Facility Provider shall consent to the amendment as provided by this Section 7.03 and such Credit Facility Provider is not in default with respect to its obligations under its Credit Facility. At least 15 days prior to adoption of any amendment made pursuant to this Section 7.03, notice of such amendment shall be delivered to the Rating Agencies then rating the Bonds. Upon filing with the Clerk of evidence of such consent the Credit Facility Providers as aforesaid, the Issuer may adopt such Supplemental Resolution or adopt the Supplemental Resolution subject to the consents provided in this Section 7.02. After the adoption by the Issuer of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 7.02 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in Clauses (A), (B), (C), (D) or (E) in the first paragraph of Section 7.02 hereof.

[Remainder of page intentionally left blank]

ARTICLE VIII

DEFEASANCE

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

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 8.01 if there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant to be in such amount that the principal of and the interest on or Redemption Price which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of and interest due and to become due on said Bonds on and prior to the maturity date thereof. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or redemption price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of maturity; provided, however, the Issuer may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on or redemption price of the refunded Bonds.

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

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

price of said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 8.01.

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

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

[Remainder of page intentionally left blank]

ARTICLE IX**SERIES 2024 BOND PROVISIONS; MISCELLANEOUS**

SECTION 9.01. PRELIMINARY OFFICIAL STATEMENT. The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit B (the "Preliminary Official Statement") in connection with offering the Series 2024 Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the City Manager IS hereby authorized to approve such insertions, changes and modifications. The City Manager are hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") in the form as mailed. Execution of a certificate by the City Manager deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

SECTION 9.02. OFFICIAL STATEMENT. Subject in all respects with the satisfaction of the conditions set forth in Section 2.02 hereof, the Mayor and the City Manager are hereby authorized and directed to execute and deliver a final Official Statement, dated the date of the award of the Series 2024 Bonds, which shall be in substantially the form of the Preliminary Official Statement relating to the Series 2024 Bonds, in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor and the City Manager. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Mayor and the City Manager, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2024 Bonds to the public. Execution by the Mayor and the City Manager of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 9.03. OFFICIAL NOTICE OF SALE. The form of the Official Notice of Sale attached hereto as Exhibit A and the terms and provisions thereof are hereby authorized and approved. The City Manager is hereby authorized to make such changes, insertions and modifications as she shall deem necessary prior to the advertisement of such Official Notice of Sale or a summary thereof. The City Manager is hereby authorized to advertise and publish the Official Notice of Sale, or a summary thereof, at such time as she deems necessary and appropriate, upon the advice of the Financial Advisor, to accomplish the competitive sale of the Series 2024 Bonds.

SECTION 9.04. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Argent Trust Company is hereby designated Registrar and Paying Agent for the Series 2024 Bonds and its designated corporate office initially shall be Ruston, Louisiana. The City Manager is hereby authorized to enter into any agreement prepared and approved by Bond Counsel which may be necessary to effect the transactions contemplated by this Section 9.04 and by this Resolution (the "Paying Agent Agreement").

SECTION 9.05. SECONDARY MARKET DISCLOSURE. Subject to the satisfaction in all respects with the conditions set forth in Section 2.02 hereof, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of the Rule, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer and dated the dated date of the Series 2024 Bonds, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form of Exhibit C hereto with such changes, amendments, modifications, omissions and additions as shall

be approved by the City Manager who is hereby authorized to execute and deliver such Certificate. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an Event of Default under this Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Series 2024 Bondholder for the enforcement of the provisions of the Continuing Disclosure Certificate shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 9.05 and the Continuing Disclosure Certificate. For purposes of this Section 9.05, "Series 2024 Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2024 Bonds (including persons holding such Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any such Bond for federal income tax purposes.

SECTION 9.06. MUNICIPAL BOND INSURANCE. If the City Manager determines, upon the advice of the Financial Advisor, that all or any portion of the Series 2024 Bonds (the "Insured Series 2024 Bonds") will be insured by a municipal bond insurance policy, then the City Manager, upon the advice of the Financial Advisor and Bond Counsel, shall select either Assured Guaranty Municipal Corp. ("AGM") or Build America Mutual Assurance Company ("BAM") as the municipal bond insurer with respect to the Insured Series 2024 Bonds (the "Insurer") and a sufficient portion of the proceeds of the Series 2024 Bonds shall be applied to the payment of the premium for the Insurer's standard form of municipal bond insurance policy (the "Bond Insurance Policy") in accordance with the provisions of Section 2.03(A)(i) hereof. The City Manager is authorized and directed to execute, and the Clerk is authorized to attest, any insurance agreement (the "Bond Insurance Agreement") that is necessary to incorporate the standard municipal bond insurance provisions required by the Insurer, such Bond Insurance Agreement to be subject to the approval of Bond Counsel, such approval being evidenced by the City Manager's execution thereof. Subject in all respects to the satisfaction of the conditions set forth in Section 2.02 hereof, so long as the Bond Insurance Policy issued by the Insurer is in full force and effect and the Insurer has not defaulted in its payment obligations under the Bond Insurance Policy, the Issuer agrees to comply with the provisions of any Bond Insurance Agreement executed in accordance with this Section 9.06

SECTION 9.07. RESERVE ACCOUNT INSURANCE. If the City Manager determines, upon the advice of the Financial Advisor, that the Reserve Account Requirement for the Series 2024 Bonds is greater than \$0 and that the Reserve Account Requirement will not be funded entirely with cash, then the City Manager, upon the advice of the Financial Advisor and Bond Counsel to the Issuer, shall select either AGM or BAM (the "Reserve Account Insurance Provider") as the provider of a reserve account insurance policy or surety bond with respect to the Series 2024 Bonds and a sufficient portion of the proceeds of the Series 2024 Bonds shall be applied to the payment of the premium for the Reserve Account Insurance Provider's standard form of debt service reserve account insurance policy or surety bond (the "Reserve Account Insurance Policy") in accordance with the provisions of Section 2.03(A)(ii) hereof. The City Manager is authorized and directed to execute, and the Clerk is authorized to attest, any insurance agreement (the "Reserve Account Insurance Agreement") that is necessary to incorporate the standard Reserve Account Insurance Policy provisions required by the Reserve Account Insurance Provider, such Reserve Account Insurance Agreement to be subject to the approval of the Issuer's Bond Counsel, such approval being evidenced by the City Manager's execution thereof. So long as the Reserve Account Insurance Policy issued by the Reserve Account Insurance Provider is in full force and effect and the Reserve Account Insurance Provider has not defaulted in its payment obligations under the Reserve Account Insurance Policy, the Issuer agrees to comply with the provisions of any Reserve Account Insurance Agreement executed in accordance with this Section 9.07

SECTION 9.08. CAPITAL APPRECIATION BONDS. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Issuer or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 9.09. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 9.10. GENERAL AUTHORITY. The members of the City Commission of the Issuer and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution, the Official Statement, the Official Notice of Sale, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Bond Insurance Agreement, if any, or the Reserve Account Insurance Agreement, if any, or which are desirable or consistent with the requirements of this Resolution, the Official Statement, the Official Notice of Sale, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Bond Insurance Agreement, if any, or the Reserve Account Insurance Agreement, if any, for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Bonds, this Resolution, the Official Statement, the Official Notice of Sale, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Bond Insurance Agreement, if any, or the Reserve Account Insurance Agreement, if any, and each member, employee, attorney and officer of the Issuer or the Issuer are hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 9.11. SEVERABILITY. If a court of competent jurisdiction finds that any section, subsection, sentence, clause, phrase, or provision of this resolution is for any reason invalid or unconstitutional, that provision will be deemed a separate, distinct, and independent provision and will not affect the validity of the remaining portions of the resolution.

SECTION 9.12. CONFLICTS. In the event of any conflict between the provisions of this resolution and any other resolution, in whole or in part, the provisions of this resolution will prevail to the extent of the conflict.

[Remainder of page intentionally left blank]

SECTION 9.13. EFFECTIVE DATE. This Resolution takes effect immediately.

ADOPTED by the City Commission of the City of North Port, Florida, in public session on September 10, 2024.

CITY OF NORTH PORT, FLORIDA

ALICE WHITE
MAYOR

ATTEST

HEATHER FAUST, MMC
CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS

AMBER L. SLAYTON, B.C.S.
CITY ATTORNEY

EXHIBIT A

FORM OF OFFICIAL NOTICE OF SALE

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF CONTINUING DISCLOSURE CERTIFICATE