Meeting Date: April 14, 2015 Agenda Item 2

REQUESTED BOARD ACTION:

Consent	Ordinance	X Resolution	Consideration/ Discussion	Presentation
____	____	____	____	____

SHORT TITLE

A RESOLUTION OF THE POMPANO BEACH FINANCE CORPORATION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A GROUND LEASE; APPROVING THE FORMS, AND AUTHORIZING EXECUTION, OF A TRUST AGREEMENT TO PROVIDE FOR THE ISSUANCE OF NOT EXCEEDING $24,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015, IN ADDITION TO COMPLETION CERTIFICATES AND REFUNDING CERTIFICATES; APPOINTING A FINANCIAL INSTITUTION TO SERVE AS TRUSTEE UNDER THE TRUST AGREEMENT; APPROVING THE FORMS, AND AUTHORIZING EXECUTION OF, A LEASE PURCHASE AGREEMENT AND SCHEDULE TO THE LEASE PURCHASE AGREEMENT TO REFLECT ISSUANCE OF THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN ASSIGNMENT OF LEASES; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CERTIFICATE PURCHASE AGREEMENT, SUBJECT TO THE PARAMETERS SET FORTH HEREIN PERTAINING TO THE SALE OF THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015; APPROVING OBTAINING A COMMITMENT FOR THE ISSUANCE OF A MUNICIPAL BOND INSURANCE POLICY SECURING THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015 AND/OR RESERVE ACCOUNT SURETY BOND AND THE EXECUTION OF RELATED AGREEMENTS WITH THE INSURER; APPROVING A FORM OF PRELIMINARY OFFERING STATEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF A FINAL OFFERING STATEMENT; APPROVING THE FORM OF AND AUTHORIZING EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING ALL REQUIRED ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

Summary of Purpose and Why:

The City of Pompano Beach's Finance Team has determined that the most feasible means of financing the design of the pier parking garage and related public improvements (the "Project") is through the issuance of Certificates of Participation (COPs). The City, through an underwriter, will make a public market offering of the certificates to investors. Once issued, the investors will hold a secured interest in the certificates and ultimately an undivided proportionate secured interest in annual lease rental

payments that the City will make to a Trustee (through an assignment of rights from the Pompano Beach Finance Corporation) on behalf of certificate holders, to repay the COPs obligation.

The Board is being requested to approve several COPs financing documents that the Pompano Beach Finance Corporation is a party to or the documents are affiliated with the COPs issuance. Please refer to Finance Department Memorandum #15-53 for background information on the Project, the COPs financing structure, as well as a summary of all financing documents for which approval is being requested.

(1) Origin of request for this action: Finance Department
(2) Primary staff contact: Suzette Sibble Ext. 4680
(3) Expiration of contract, if applicable: Preliminary-Lease Term to run from 2015 through 2040 (25 years)
(4) Fiscal impact and source of funding: As to City -Preliminary (subject to approval of the Guaranteed Maximum Price Contract by the City Commission as to final project construction costs and actual market conditions at time of issuance) --- average annual rental payments of approximately $1.4 million (subject to annual appropriation by the City Commission) over preliminary lease term of 25 years. City preliminarily plans on issuing Certificates in the principal amount of approximately $20 million. Annual rental payment appropriation will be presented to the Commission as part of the Parking Enterprise Fund's proposed budget on an annual basis, with the planned source of repayment of the COPs obligation being parking related revenues.

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	DEPARTMENTAL HEAD SIGNATURE
Finance Department	3/23/15	Approval	S. Sibble
City Attorney	3/23/15	—	
X City Manager	3/31/15	—	

ACTION TAKEN BY BOARD:

Ordinance	Resolution	Consideration	Workshop
1st Reading	1st Reading	Results:	Results:
2nd Reading			

pompano beach
Florida's Warmest Welcome

FINANCE DEPARTMENT
MEMO 15-53

Date: March 23, 2015

To: Chairperson and Board Members

From: Suzette Sibble, Treasurer
Via: Dennis Beach, City Manager

Re: PROPOSED ISSUANCE OF CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015

The City's discussion to construct a new pier parking garage has evolved over the past three years, particularly with the City's approval of the contract with Pier Development Associates to develop several parcels (retail, restaurants etc.) in and around the City's pier and beach area in 2012, since amended. It was anticipated that with all planned development efforts, the demand for parking in and around the pier/beach area would grow exponentially, warranting an expansion of the City's parking infrastructure, particularly the construction of a new pier parking garage.

To validate its prediction of the parking demand that might be spurred by ongoing redevelopment efforts, the City contracted with the Lansing Melbourne Group, LLC. ("LMG") to prepare a Parking Garage Demand and Revenue Study (the "Study"). The Study determined the demand that might be generated by the development underway at and around the pier and developed projections for revenues that might be generated by that demand, while factoring in anticipated costs to operate and maintain the Pier Parking Garage. The core objective of this exercise was to demonstrate projected net revenues that may be available to provide a source for repayment of external financing to be obtained for the Garage and related public improvements. The Study will also serve as a reference for nationally recognized rating agencies, which will be requested to provide a rating for the City, as it relates to the planned financing. On March 10, 2014, the City Commission approved the Study, which may be referenced at **Attachment B**.

Pier Development Project Timing

In projecting the net revenues to be generated by the Garage for each fiscal year, once construction is complete, the Study contemplated the timing for the pier developer to complete each parcel based on planned uses (i.e. restaurant, concession, retail) and the timeframe for which each planned use would be operational. The Study was further conservative in allowing an additional 3 month timeframe from the timeframe indicated by the developer. As the parcels

would be phased in between fiscal years 2016 and 2020 and the City would need to borrow funds for the design and construction of the project in fiscal year 2015 (construction tentatively scheduled to begin in May 2015 and to be completed in May 2016) and begin repaying the obligation in fiscal year 2015, the City would need to rely on its Parking Fund reserves, as well as a mechanism referred to as capitalized interest to assist in repaying the obligation within the first two fiscal years following issuance. Capitalized interest exists when a portion of funds borrowed is set aside to repay interest on the obligation. Based on historical performance, it is anticipated that the City's Parking Fund will generate between $500,000 and $700,000 in net revenues.

Preliminary Project Costs

Although the City has approved design costs for the Project (the Garage & Related Public Improvements—i.e. pier street, on-street parking, utilities etc.), construction costs will not be finalized until the City Commission approves a Guaranteed Maximum Price Contract ("GMP"), tentatively scheduled to be approved at the April 28, 2015 City Commission meeting. As such, Project costs (in millions) below are subject to change:

Estimated Price Details for the Project

Design Cost	$ 1,213,573
Construction Costs:	
Base Bid	11,302,679
Add--	
Demo & Site Prep	267,929
Building Pad	32,753
Pier Street	949,634
Vegetated Top Deck Trellis	1,367,657
Vegetated Walls	581,385
Additional Level	2,464,558
Provisions for Restaurant	41,036
Anodized Finish for Sails	611,190
Subtotal Construction Costs	17,618,821
Total Estimated Project Costs	**$18,832,394**

Planned Financing Mechanism

The City's Finance Team [City Finance Director, Public Financial Management (Financial Advisor), Greenspoon Marder (Special & Disclosure Counsel) and RBC Capital Markets (Underwriter)], collectively the "Finance Team" has determined that the most viable and cost effective means of financing the Project is through the issuance of Taxable Certificates of Participation (COPs). The Finance Team recommends the issuance of "Taxable" (as opposed to "Tax Exempt") certificates in order to allow for maximum flexibility in the operation of the Garage while the certificates remain outstanding. Were the City to issue on a tax exempt basis, future management contracts or other revenue arrangements governing the operation of the Garage would need to be scrutinized in order to ensure that there is no noncompliance with Internal Revenue Service regulations governing the issuance of tax exempt obligations.

Regardless, the spread between the taxable and tax exempt rate is minimal given current market conditions.

Under the COPs financing mechanism, the City will lease-purchase finance a new parking garage and related facilities (collectively, the "Project") through the issuance of Certificates of Participation (Parking Garage Project), Series 2015 (the "Certificates").The Certificates represent undivided proportionate interests in lease payments to be made each year by the City pursuant to a lease-purchase agreement (the "Lease Agreement") between the City, as lessee, and the Pompano Beach Finance Corporation, a not for profit Florida corporation formed by the City (the "Corporation"), as lessor. The lease payments, and consequently, the payments due with respect to the Certificates, will not constitute indebtedness of the City. Rather, the Certificates will be payable solely from legally available revenues of the City budgeted and appropriated each year by the City to make lease payments under the Lease Agreement. The Certificates will be issued pursuant to a Trust Agreement among the City, the Corporation and an institutional trustee (the "Trustee"). The Certificates will be sold by the City to RBC Capital Markets, LLC, the underwriter selected by the City (via a formal solicitation process) in connection with this transaction, which will, in turn, sell the Certificates to the public.

The Corporation

The Corporation was formed solely for the purpose of facilitating lease purchase arrangements such as the financing of the Project. The sole member of the Corporation is the City. The sole members of the Board of Directors of the Corporation are, ex-officio, the members of the City Commission of the City from time to time. The Mayor serves as the President of the Corporation, the Vice-Mayor serves as the Vice-President of the Corporation, the Finance Director serves as the Treasurer of the Corporation and the City Clerk serves as the Secretary of the Corporation. As noted below, the Corporation will only have a nominal role in the financing. It will be required to have an annual meeting to elect Board members and officers. In addition, the Corporation, by resolution, will be required to approve the various documents to which it will be a party in connection with the lease-purchase financing of the Project. The administrative costs associated with the Corporation are expected to be nominal.

Basic Financing Structure

The City owns the site within the City on which the Project will be located (the "Site"). Pursuant to a written ground lease agreement, the City will enter into a long term ground lease of the Site to the Corporation (with an initial term that will be the same as the final maturity of the Certificates--approximately 25 years). Until an event of default or non-appropriation occurs under the Lease Agreement, the annual ground lease rental will be $1.00. At all times, title to the Site will remain with the City, subject to the leasehold interest of the Corporation.

The Project will be constructed by the City on the Site. The City will lease back the Site and the Project from the Corporation pursuant to the Lease Agreement. The Corporation will assign all of its rights and obligations under the Ground Lease and Lease Agreement to the Trustee, other than certain retained rights. Accordingly, the Corporation will have only a nominal role in the financing.

Funds for the acquisition, construction, and installation of the Project will be provided through the issuance and sale of the Certificates. The Lease Agreement will have an initial lease term that will commence on the date the Certificates are issued and end on September 30, 2015. Thereafter, subject to the right of the City to enact a budget which does not appropriate sufficient funds to make the lease payments coming due in the next fiscal year, the Lease Agreement will have successive one-year terms.

The maximum term of the Lease Agreement will be the same as the final maturity of the Certificates (approximately 25 years). If an event of non-appropriation occurs, the City must peaceably vacate and return possession of only the Parking Garage site and the Parking Garage to the Corporation, or its assignee or designee, no later than the end of the then current lease term. Thereafter, the Corporation, through the Trustee, may exercise remedies with respect to the Parking Garage site and the Parking Garage, including attempting to re-let the Parking Garage site and the Parking Garage to a third party for the remaining term of the Ground Lease, which will automatically be extended for an additional ten-year period following the scheduled maturity date of the Certificates; provided the Parking Garage site and the Parking Garage must be used as a public parking garage for the benefit of the public at large through the maximum Ground Lease Term. The public roadways and on-site parking included in the Project are not subject to surrender.

Annual Appropriation

The financing documents will provide that under no circumstances will the failure of the City to appropriate sufficient moneys to pay lease payments constitute a default under the Lease Agreement or require payment of a penalty, or in any way limit the right of the City to purchase or utilize, buildings, facilities or equipment similar in function to the property leased under the Lease Agreement. However, the failure of the City to appropriate each year for such payments will result in the City's having to vacate the Parking Garage site and Parking Garage for the remaining term of the Ground Lease, which will be for at least ten years after the final maturity of the Certificates. In addition, upon such an event of non-appropriation, the City may have difficulty in accessing capital markets to obtain bond financing for its other projects. In this respect, even though COPs are not legally considered debt, for all practical purposes, the City should treat the required lease payments as such so as not to impede the City's credit standing in the marketplace.

Total Preliminary Costs to Be Financed, Preliminary Interest Rate & Lease Term

Total preliminary costs to be financed (in millions – approximately $19.8 million) are indicated below:

DESIGN	$ 1.2
CONSTRUCTION	17.6
OWNERS' REP. COSTS*	.3
PROJECT COSTS	19.1
CAPITALIZED INTEREST	.5
COSTS OF ISSUANCE**	.2
TOTAL COSTS TO BE FINANCED	$19.8.

*the City has contracted with LMG to provide for project oversight during the construction of the Project.
**estimated at 1% and includes fees for the City's financial advisor (approx. $18k), special/disclosure counsel (not to exceed $96k), underwriter (approx. $100k), trustee ($3,500) etc.

Please note that the not to exceed aggregate principal amount of $24 million stated in the authorizing ordinance is merely a means of avoiding having to come back to the City Commission for further approval of financing documents once the final amount to be financed has been determined, to coincide with the City Commission's approval of the Guaranteed Maximum Price (GMP) contract, as well as the final pricing of the certificates once the certificates are sold. All financing documents will be executed by the Mayor (Vice Mayor) once all parameters have been finalized and included within form documents presented herein. Prior to execution, the City's Special Counsel, as well as myself will ensure that only authorized parameters have been included for execution, based on the final approved GMP contract amount.

Based on preliminary costs herein, it is anticipated that the COPs will be financed over a 25 year term and at a taxable rate of 4.4% (subject to change), based on current market conditions. Based on preliminary parameters, it is anticipated that the City will pay interest in the amount of approximately $15.6 million as a component of total rental payments of approximately $35.5 million. Of course, the City can refinance the certificates after a period of 10 years, following issuance, should market conditions prove favorable.

Coverage Parameters
Please refer to **Attachment** A for a schedule of preliminary annual rental payments, as a result of the COPs issue and garage net revenues and parking system (non-garage net revenues/reserves) coverage of annual rental payments over the projected financing term (25 years).

Summary of Financing Documents to Be Approved
The City Commission is being requested to approve a number of documents in form, which are voluminous in nature. As a result, what follows is a summary of each document, as well as the purpose and intent of each:

- ***City of Pompano Beach Taxable Certificates of Participation (Parking Garage Project), Series 2015 Authorizing Resolution*** –This generally (i) authorizes the issuance of the Certificates, (ii) approves the Project, (iii) approves forms, and authorizes the execution and delivery, of pertinent financing documents (subject to the parameters specified in the ordinance and changes as needed to reflect the final details of the Certificates, which will be determined as part of the marketing process), (iv) delegates authority to obtain municipal bond insurance, if available, if such insurance will result in obtaining a lower interest cost on the Certificates; (v) authorizes obtaining a reserve surety to fund the reserve in lieu of cash, all or in part, if a reserve fund is required (which will be determined as part of the rating and marketing process), (vi) authorizes the negotiated sale of the Certificates to the Underwriter, and (vii) approves the form of a Preliminary Offering Statement to be used in marketing the Certificates.

- ***Ground Lease Agreement*** – This agreement provides for the City (as lessor) to lease to the Pompano Beach Finance Corporation (as lessee) the land upon which the Project will be constructed. **The City retains title to the land, only affording the Corporation a leasehold interest in the land**.
- ***Lease Purchase Agreement*** – In order to establish an annual rental payment stream to pay the Certificates, this agreement provides for the Corporation (as lessor) to lease back to the City (as lessee) the land and the completed Project and provides for the City to make annual basic rent payments (lease payments) to the Corporation, on a subject to annual appropriation basis, in an amount equal to the amount due on the Certificates annually.
- ***Assignment of Leases*** – This agreement provides for the Corporation to assign certain of its rights under the Ground Lease and Lease Agreement to The Bank of New York Mellon Trust Company, N.A., as trustee for the Certificates (the "Trustee") to permit the Trustee to receive rent payments from the City and to exercise remedies with respect to the Parking Garage Site and the Parking Garage, subject to the terms of the Ground Lease and the Lease Agreement.
- ***Trust Agreement*** – This agreement among the Trustee, the Corporation and the City provides for the issuance of the Certificates by the Trustee evidencing interests in the annual lease payments to be made by the City under the Lease Agreement. It also establishes funds and accounts to permit the Trustee to hold all proceeds from the issuance of the Certificates to be applied in accordance with the trust agreement and for the Trustee to receive rent payments from the City and make payments due with respect to the Certificates. It also provides for the Trustee to exercise remedies with respect to the Parking Garage Site and the Parking Garage upon an event of non-appropriation or an event of default by the City under the Lease Agreement, subject to the terms and conditions of the Lease Agreement, **including provisions that the Parking Garage Site and Parking Garage be continued to be used as a public parking garage for the benefit of the public at large**. This agreement also provides for the issuance of Completion Certificates (for the purpose of completing the Project) and Refunding Certificate (for the purpose of refinancing outstanding Certificates), subject to subsequent proceedings of the City Commission.
- ***Certificate Purchase Agreement*** - This agreement provides for the sale of the Certificates to RBC, as the Underwriter of the Certificates, to assist in marketing, via a public offering, the Certificates to investors. It will be completed at the time the Underwriter and the City determine the final "pricing" details of the Certificates (including the interest rates, final maturity and redemption features). The Underwriter will receive a fee or "gross spread" for marketing the Certificates to the public, referred to as the "Underwriter's Discount." This is the fee an underwriter charges when purchasing bonds or certificates of participation for resale to the public. The City selected RBC through a formal solicitation process and established a gross spread of $4.45 per $1,000 of Certificates issued. This City will also compensate RBC for its expenses (including its underwriter's counsel fee) at a rate of $.904 per $1,000 issued. The Certificates may be further be sold with an original issue discount or an original issue premium, which will be determined as part of the pricing of the Certificates, in conjunction with the Underwriter and the City's Financial Advisor.

- ***Preliminary Offering Statement (POS)*** – This is the prospectus that will be used by the Underwriter to market the Certificates to the public and incorporates information on the City, the Project, the Certificates and financing structure, along with other required disclosures, and which is subject to the applicable anti-fraud provisions of the applicable securities laws. The POS is preliminary until the final "pricing" details of the Certificates are determined, at which time a final Offering Statement is prepared reflecting such details.
- ***Continuing Disclosure Certificate*** – Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission--SEC (the agency which has primary responsibility for enforcing the federal securities laws, proposing securities rules etc.) requires that the Underwriter obtain a written undertaking from the City to annually update certain financial and operating data in the Offering Statement following the issuance of the Certificates. This agreement evidences such undertaking. Compliance with this agreement will be the responsibility of the City's Finance Department.

The Land

The City will retain title to the land throughout the term of the Ground Lease, as well as throughout any additional extended term as a result of an event of non-appropriation of annual lease payments or an event of default by the City under the Lease Agreement.

An Event of Non-Appropriation or Default

Should the City fail to make the required basic annual rental payments when due, or default under the terms of the Lease Agreement, the City must vacate the Parking Garage Site and Parking Garage and relinquish control to the Trustee who will seek to re-let the Parking Garage Site and the Parking Garage in an effort to generate the required rental payments due to the Certificate holders (investors), subject to the terms of the Ground Lease and the Lease Agreement, which require the Parking Garage Site and the Parking Garage to be used as a public parking garage for the benefit of the public at large throughout the maximum Ground Lease term.

Conclusion

In closing, Staff requests approval of all financing documents, as to form, with all financing parameters to be finalized with the approval by the City Commission of the GMP contract on April 28, 215 and the final pricing of the certificates and subsequent sale via public offering. All financing documents have been reviewed by the Finance Team, as well as the City Attorney.

ATTACHMENT A

CITY OF POMPANO BEACH
ESTIMATED PARKING SYSTEM NET REVENUES/RESERVES AVAILABLE FOR ESTIMATED ANNUAL RENT PAYMENTS
Certificates of Participation (Taxable) "Preliminary" Assumptions:
Amount Financed - $19.8 million (includes costs of issuance and capitalized interest components)
Interest Rate - 4.4%
Lease Term - 25 years

	FISCAL YEAR				
	2015	2016	2017	2018	2019
PROJECTED GARAGE NET REVENUES [1]	-	310,390	945,358	1,213,384	1,422,144
CURRENT PARKING (NON GARAGE) NET REVENUES [2]	500,000	500,000	500,000	500,000	500,000
PARKING SYSTEM RESERVE FUNDS [3]	500,000	850,030	816,838	1,418,614	2,093,416
TOTAL SURPLUS FUNDS AVAILABLE FOR ANNUAL RENT PYMTS.	1,000,000	1,660,420	2,262,196	3,131,998	4,015,560
LESS: ANNUAL RENT PYMTS.*	(149,970)	(843,582)	(843,582)	(1,038,582)	(1,184,195)
CARRYFORWARD	850,030	816,838	1,418,614	2,093,416	2,831,365
NET REVENUES & RESERVE FUNDS COVERAGE OF ANNUAL RENT PYMTS.	6.67	1.97	2.68	3.02	3.39
NET REVENUES COVERAGE OF ANNUAL RENT PYMTS.	3.33	0.96	1.71	1.65	1.62

(1) Source: Lansing Melbourne Group LLC Pier Parking Garage Demand & Revenue Study (March 2015) for all years

(2) Illustrated as remaining flat for all years to be conservative

(3) For all years--Represents Parking Enterprise Fund Reserve Funds to be utilized to cover Annual Rent Payments as Garage (Project) revenues ramp up following development of parcels by the Pier Developer. Only anticipated to be needed in fiscal year 2015 & possibly fiscal year 2016.

*To be funded in whole in 2015 and partially in 2016 with capitalized interest on deposit with trustee

ATTACHMENT A

	FISCAL YEAR				
	2020	2021	2022	2023	2024
PROJECTED GARAGE NET REVENUES	1,596,382	1,644,274	1,693,602	1,744,410	1,796,742
CURRENT PARKING (NON GARAGE) NET REVENUES	500,000	500,000	500,000	500,000	500,000
PARKING SYSTEM RESERVE FUNDS	2,831,365	3,813,286	4,827,420	5,860,492	6,906,296
TOTAL SURPLUS FUNDS AVAILABLE FOR ANNUAL RENT PYMTS.	4,927,748	5,957,560	7,021,022	8,104,902	9,203,038
LESS: ANNUAL RENT PYMTS.	(1,114,462)	(1,130,140)	(1,160,530)	(1,198,606)	(1,234,378)
CARRYFORWARD	3,813,286	4,827,420	5,860,492	6,906,296	7,968,660
NET REVENUES & RESERVE FUNDS COVERAGE OF ANNUAL RENT PYMTS.	4.42	5.27	4.16	4.89	5.59
NET REVENUES COVERAGE OF ANNUAL RENT PYMTS.	1.88	1.90	1.89	1.87	1.86

	FISCAL YEAR				
	2025	2026	2027	2028	2029
PROJECTED GARAGE NET REVENUES	1,850,645	1,906,164	1,963,349	2,022,249	2,082,917
CURRENT PARKING (NON GARAGE) NET REVENUES	500,000	500,000	500,000	500,000	500,000
PARKING SYSTEM RESERVE FUNDS	7,968,660	9,051,609	10,149,112	11,265,679	12,400,990
TOTAL SURPLUS FUNDS AVAILABLE FOR ANNUAL RENT PYMTS.	10,319,305	11,457,773	12,612,461	13,787,928	14,983,907
LESS: ANNUAL RENT PYMTS.	(1,267,696)	(1,308,661)	(1,346,782)	(1,386,938)	(1,428,805)
CARRYFORWARD	9,051,609	10,149,112	11,265,679	12,400,990	13,555,102
NET REVENUES & RESERVE FUNDS COVERAGE OF ANNUAL RENT PYMTS.	6.29	6.92	7.54	8.12	10.49
NET REVENUES COVERAGE OF ANNUAL RENT PYMTS.	1.85	1.84	1.83	1.82	1.81

	FISCAL YEAR				
	2030	2031	2032	2033	2034
PROJECTED GARAGE NET REVENUES	2,145,404	2,209,766	2,276,059	2,344,341	2,414,672
CURRENT PARKING (NON GARAGE) NET REVENUES	500,000	500,000	500,000	500,000	500,000
PARKING SYSTEM RESERVE FUNDS	13,555,102	14,728,463	15,925,168	17,141,120	18,377,866
TOTAL SURPLUS FUNDS AVAILABLE FOR ANNUAL RENT PYMTS.	16,200,506	17,438,230	18,701,227	19,985,462	21,292,537
LESS: ANNUAL RENT PYMTS.	(1,472,043)	(1,513,062)	(1,560,107)	(1,607,596)	(1,655,141)
CARRYFORWARD	14,728,463	15,925,168	17,141,120	18,377,866	19,637,396
NET REVENUES & RESERVE FUNDS COVERAGE OF ANNUAL RENT PYMTS.	11.01	11.53	11.99	12.43	12.86
NET REVENUES COVERAGE OF ANNUAL RENT PYMTS.	1.80	1.79	1.78	1.77	1.76

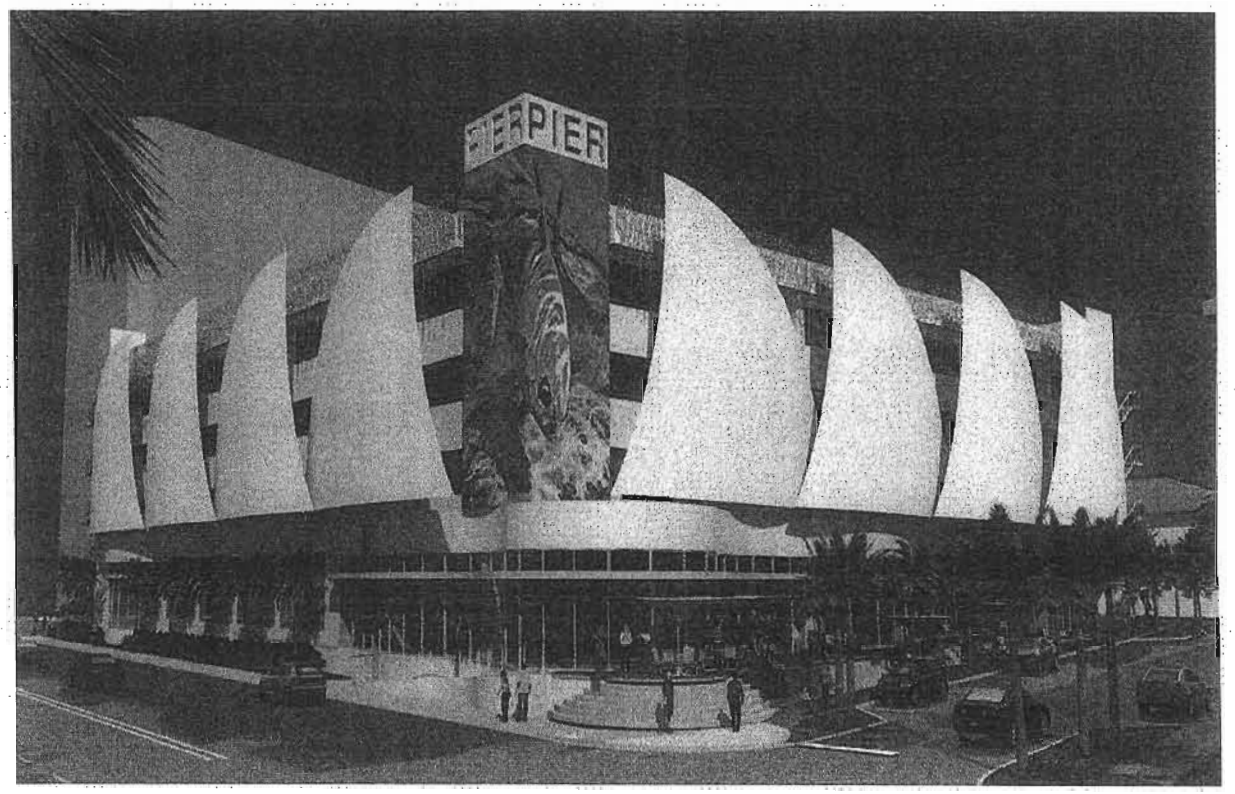
ATTACHMENT A

	FISCAL YEAR					
	2035	2036	2037	2038	2039	2040
PROJECTED GARAGE NET REVENUES	2,487,112	2,561,725	2,638,577	2,717,734	2,799,266	2,883,244
CURRENT PARKING (NON GARAGE) NET REVENUES	500,000	500,000	500,000	500,000	500,000	500,000
PARKING SYSTEM RESERVE FUNDS	19,637,396	20,917,172	22,224,212	23,555,623	24,909,051	26,287,688
TOTAL SURPLUS FUNDS AVAILABLE FOR ANNUAL RENT PYMTS.	22,624,508	23,978,897	25,362,789	26,773,357	28,208,317	29,670,932
LESS: ANNUAL RENT PYMTS.	(1,707,336)	(1,754,685)	(1,807,166)	(1,864,306)	(1,920,629)	(1,975,882)
CARRYFORWARD	20,917,172	22,224,212	23,555,623	24,909,051	26,287,688	27,695,050
NET REVENUES & RESERVE FUNDS COVERAGE OF ANNUAL RENT PYMTS.	13.25	13.67	14.03	14.36	14.69	15.02
NET REVENUES COVERAGE OF ANNUAL RENT PYMTS.	1.75	1.74	1.74	1.73	1.72	1.71

ATTACHMENT B

Pier Parking Garage Demand and Revenue Study

Spring 2015



prepared for
The City of Pompano Beach
Parking Enterprise Fund

pompano beach
Florida's Warmest Welcome

prepared by
Lansing Melbourne Group, LLC

LMG LANSING MELBOURNE GROUP

The City of Pompano Beach (the "City") has retained Lansing Melbourne Group ("LMG") to prepare the following forecasts of parking demand and revenue as part of its efforts to redevelop the Pompano Beach Pier area, including by financing the construction of a public garage (the "Garage") and related facilities and improvements consisting of roadways, on street parking, water and sewer distribution lines, stormwater management, sidewalks and landscaping (collectively, "The Project"). LMG was formed in 2003 in response to the partners' desire to provide detailed, creative products and solutions for our clients in an intimate and manageable environment. As a small firm, the Principals have direct hands-on impact on *every* project and with *every* client. LMG is most interested in highly demanding and unique projects located in downtown spaces, hospitals, medical centers, universities, and other high density settings. We specialize in providing boutique, niche services specifically related to public private venture planning, parking economics and financial advising. LMG teams with like-minded creative individuals and firms across the country such as Wachovia Capital Markets, The Carlyle Group, GE Capital, Fortress Investments and Urban America to provide state-of-the-art and unique solutions.

LMG's founders have been actively involved in setting policies and recommended guidelines in the planning and parking industry for over 25 years. The Principals are trained as professional engineers (registered) as well as land use planners (certified by the American Planning Association) which underlies their wide-ranging approach to developing projects that are not only creative, but also buildable and financially feasible. LMG is an international firm with clients including Petronas (Malaysia), City of Shanghai, PRC, Hyderabad, India, and the Virgin Islands.

In 2012, the City, with input from its Community Redevelopment Agency (the "CRA"), entered into an agreement (an amended agreement was subsequently approved by the City in 2014) with a developer to construct and operate commercial buildings at the foot of the pier and on an existing surface parking lot immediately west of the pier. This new development, along with the investment the CRA recently made along Pompano Beach Boulevard to beautify and provide convenient beach access and amenities, is anticipated to significantly intensify the demand for parking in the immediate area. The purpose of this study is to quantify this demand, provide a methodology to estimate potential revenues, estimate the appropriate size for a parking garage to meet this demand, and provide benchmark data for the operational expenses that might be experienced. This report is an update of the original demand and revenue forecast prepared in Autumn 2013 and is being prepared as the City has taken important steps toward the completion of its goals.

Next Steps

With the demand value now quantified, and revenue projections complete, the City should proceed with the following tasks:

- Use the study and historical data to illustrate the financial projections for the Parking Enterprise Fund
- Engage underwriters and financial advisors to obtain appropriate financing for the Project
- Undertake construction of the Project. Note that this task is underway as of this writing. The City has selected a design build team that is preparing plans to construct the project at an estimated guaranteed maximum price of approximately $17.6 million, and has retained LMG to act as its owner's representative in the process.

Pier Area Parking Demand

The pier area is a destination for recreational demand from the entire region. As development has intensified over time on the southeast coast of Florida, the opportunities for public access to wide open areas of beach have dramatically decreased, to the point where the Pompano Pier area is particularly unique and attractive. Because of this phenomenon, estimation of demand for parking in this location must include a macro look at the growth of the entire area and the character of demand at similar beach locations, in addition to the immediate vicinity. The analysis must also take into account the specifics of the pier redevelopment proposal solicited by the CRA along with physical changes to the supply that were part of the recent streetscape project on Pompano Beach Boulevard. Therefore, the report will present demand forecasts in the following sections:

- Pompano Beach Demographic Characteristics and Growth
- Beach Parking in Broward County
- Existing Operating Characteristics
- Pier Redevelopment Plans
- Summary of Demand for Parking at the Pier
- Project Details
- Proforma Operations

Pompano Beach Demographic Characteristics and Growth

Data regarding Pompano Beach growth characteristics is drawn from the "*City of Pompano Beach Transportation Corridor Studies*" (Kimley Horn Associates, May 2013). A complete copy of that report, "Economic Assessment", is available from the Pompano Beach CRA.

Highlights from the report include:

- Pompano Beach Population Growth rate of 7 percent from 2005-2011 is significantly higher than Broward County's overall rate of 1 percent for the same period
- The City has 42,420 households, a 21 percent increase since 2000
- City wide, household income has increased 12% over the 2005-2011 period, but is lower than the county median.
- The City's economic base shows a significant level of economic diversification in a wide range of industries.

Overall, the City appears to be receiving more than its fair share of both population and economic growth in Broward County. This trend can be anticipated to continue for at least the next 5 years, given the City's geographic spread and available housing inventory and assuming current economic and other factors impacting such growth remain generally unchanged. While not necessarily a numerical input to any of the parking demand analysis, it suggests a positive bias in our analysis of future demand for beach parking from the general public simply due to the growth of the population. Table 2-1 from the report is reproduced below for reference.

TABLE 2-1: POPULATION AND HOUSEHOLDS IN BROWARD COUNTY AND THE CITY OF POMPANO BEACH

	POMPANO BEACH							BROWARD COUNTY				
	2000	2005	2010	2011	Percentage Change			2000	2005	2011	Percentage Change	
					2000-05	2005-10	2005-11				2000-05	2005-11
POPULATION	78,191	94,892	99,845	101,632	21%	5%	7%	1,623,018	1,757,590	1,780,172	8%	1%
HOUSEHOLDS	35,197	43,641	42,182	42,420	24%	-3%	-3%	654,445	687,331	668,898	5%	-3%

Source: U.S Census Bureau (2011 ACS 1-Year Estimates, 2010 Summary File 1 (SF 1) 100-Percent Data, 2005 American Community Survey and 2000 Summary File 1 (SF 1) 100-Percent Data

Beach Parking in Broward County

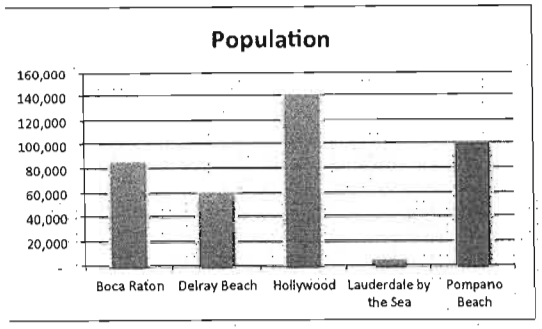
Broward County's 27 miles of beach (3 miles in Pompano Beach) are fully developed, with many undergoing substantial redevelopment efforts. In most cases, parking garages have already been constructed or are under consideration. The City of Hollywood already provides garage parking for beachgoers within the city and has recently begun the process of site location and design for three more. In Dania Beach, the John Lloyd State Park facility has recently undertaken a significant addition of surface parking. Fort Lauderdale began design on at least three new parking garages last year for the core beach area. Lauderdale by the Sea is currently under construction with a streetscape project and is actively considering a parking garage to respond to growing demand. To the north of Pompano Beach, Deerfield Beach has a parking garage for beach goers along with large surface lots.

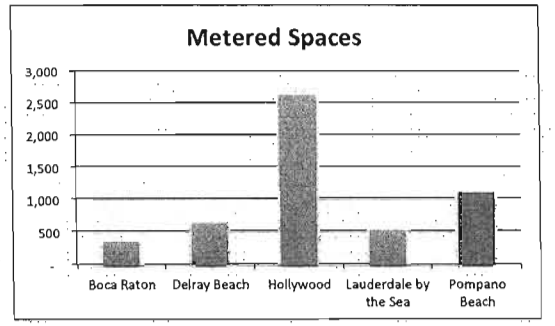
The general trend appears to be moderate size garages (500 to 700 spaces) that are spaced at least three blocks apart in the most dense beach areas (Hollywood Beach). This reflects the fact that when providing for beach parking, walking distances effectively limit the maximum amount of parking that is useful in any one facility. It appears that the 500-700 space size is the maximum practical population for a given amount of beach within the distance that people are wiling to walk and still have an acceptable amount of private space when they get to the beach.

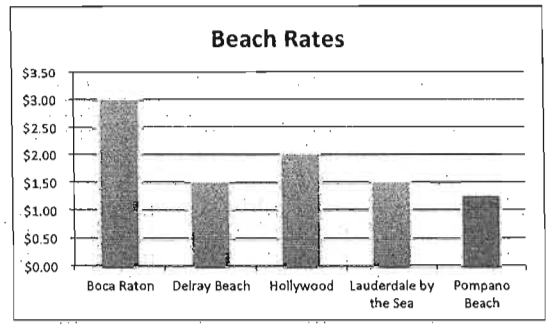
On the following page is a table summarizing a survey of beach parking policies conducted by City Staff in 2012 and updated by LMG in 2014. Note that in general Pompano Beach was the most affordable hourly rate for beach parking among cities in Broward County. Each City provides some mix of on-street parking, surface parking, and structured parking with the on street always being the most expensive. Most other cities offer pay by phone and credit card payments. Nearly all offer some form of discounted annual pass for residents that allows for off street parking during the summer season.

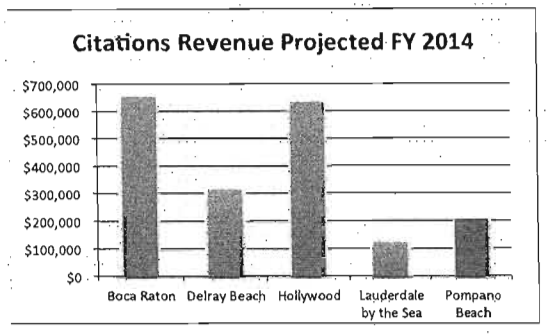
Data Requested						
	Boca Raton	**Delray Beach**	**Fort Lauderdale**	**Hollywood**	**Lauderdale by the Sea**	**Pompano Beach**
Population (reg. not winter)	85,329	60,552	165,521	140,768	6,056	99,845
Metered Parking Spaces	369	646	10,396	2,607	540	1,105
Parking Rate	$1 - $2/hr	$1.50/ hour	$0.25 - $1.75/ hour	Free - $2/ hour	$.50 - $1.50/ hour	$1.25/hour
Set/ Adjusted to Demand	Set rate - by area, City & Mizner lots $1 (7am-4:59pm) and $2(5pm-Midnight), east of A1A is $2/hour	Set rate - $1.50/hour	Set rate - by area Downtown ($1.25-$1.50) & Beach have higher rates	Set rate - by area, Free street parking (3hr limit 8am-8pm,) Downtown garage ($1/hr $15max) Beach has higher rates	Set rate - by area, Commercial $0.50/hour, A1A ($1.25/hour), Beach area $1.50/hr	Set rate - $1.25/hr on meters.
Hourly Beach Rates	$3.00	$1.50	$1.75	$2.00	$1.50	$1.25
Private Off-Street Overnight Rates	N/A	$19.00	$25.00	$17.00	N/A	free for hotel guests at The Sands
Private Off-Street Hourly Rate	N/A	N/A	$5.00	$2 (2 hour minimum)	N/A	free for hotel guests at The Sands
Parking Citation Fee	$35.00	$35.00	$32.00	$45.00	$25.00	$35.00
Parking citations projected in FY 2014	18,617	11,705	114,000	38,105	4,751	5,454
Parking citations revenue projected FY 2014	$651,602	$313,776	$2,850,000	$632,000	$123,400	$202,789
Total Parking revenues projected FY 2014	$1,200,000	$1,242,361	$14,500,000	$6,400,000	$1,553,982	$1,684,274
Citations per space/year	50.45	18.12	10.97	14.62	8.80	4.94
Citation Revenue as % of parking revenue	54%	25%	20%	10%	8%	12%
Parking citation written by:	City Staff	Delray Police Dept and Police Volunteers	City Staff Only	Parking Staff and Police Staff	Third party - Standard Parking Inc.	BSO
Contact Detail	Charmain - Parking Admin	Clayton Gilbert, Scott Aronson (561) 243-7196	Brian McKelligett Parking Services Mgr (954) 828-3792	Rosanne Regan Financial Analyst (954) 921-3566	n/a	Linda Dye Revenue Collection Mgr

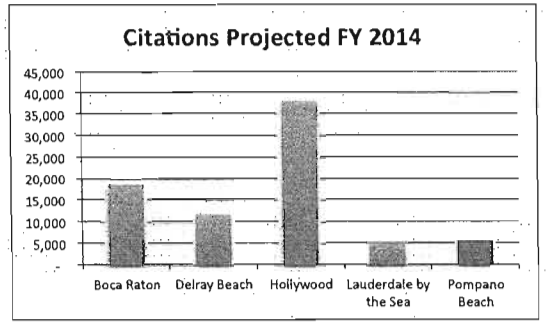
Market Comparisons

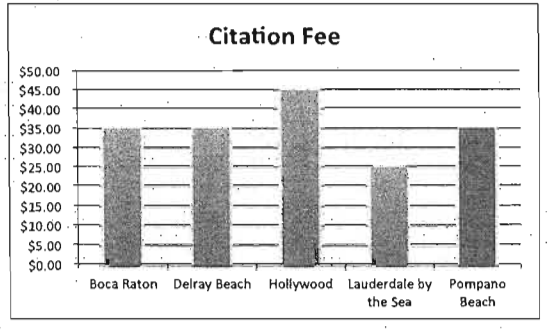


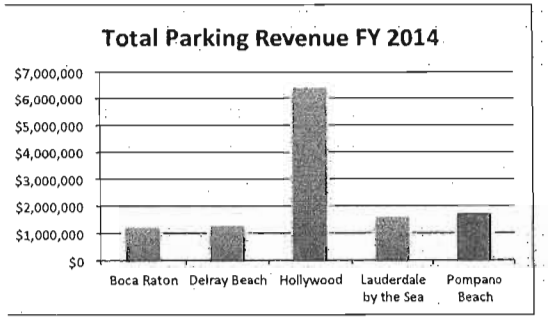


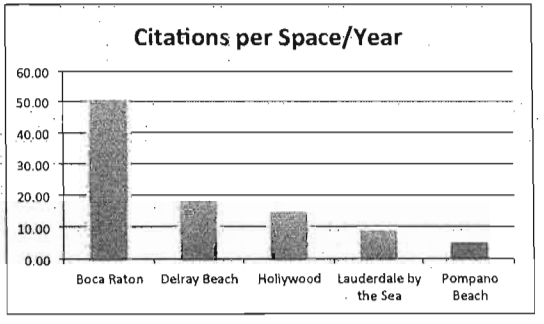


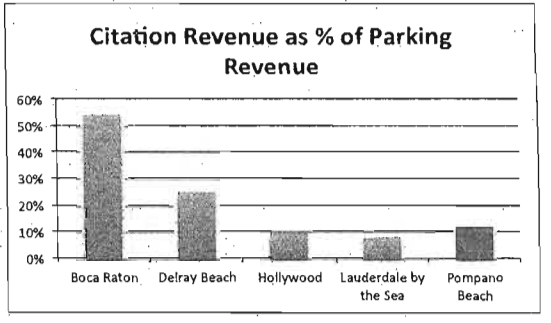












Existing Operating Characteristics

The systemwide parking operations were examined and analyzed to develop a six year historic compilation of revenues and expenses. This information is current as of September 30, 2014, and was developed in concert with the City Finance Department with assistance from other departments that participated in the administration of parking policy prior to the establishment of the Parking Enterprise Fund on October 1, 2013. Prior to the establishment of the Parking Enterprise Fund, all parking related activity was accounted for within the City's General Fund. As the concept of an organized system of parking revenue collection, policy enforcement and recognition of expenses has matured over the past few years, the growth trends have become more consistent and the revenues generated have become more robust.

After analysis of the specific expenses we added an adjusted line which is at the bottom of the chart called "Income Net of Special Items" to reflect the fact that there were significant one time expenses in 2010 and 2013. These reflect large purchases of meters and other equipment that will be used over many years. Future years will see significant positive results because of the way these expenses were previously recorded by the City's Finance Department.

Also, the reader should note that Fiscal Year 2012 was the year that Pompano Beach Boulevard was under construction and so there was no revenue for an extended period of time in one of the most valuable parking areas in the City. Since the work has been completed, revenue is growing strongly and is expected to continue in this pattern. Pompano Beach Boulevard is located east of the garage, running in a north south direction along the beach itself and contains on-street angled parking on its east side (northbound). Note also that expenses have grown faster than revenue primarily because of the efforts of the Finance Department to more accurately assess the cost of parking within the City over the past year, in addition to the high cost of the Broward Sherriff's Office ("BSO") parking enforcement activities. Historically, the City has contracted with BSO to provide parking enforcement services as part of its overall police services contract. This practice will be phased out with the addition of private operations management by Denison Parking ("Denison") starting May 1, 2015. This most recent fiscal year also represents the first year that a tourist development coordinator function was added to the Parking Enterprise Fund budget, somewhat skewing the expense growth.

It is believed that the current level of expenses now represents what will likely be a more stabilized value representing the City's likely costs to collect the revenues generated by its parking system going forward, particularly since the City has recently selected an outside third party (Denison) to manage the parking operations starting May 1, 2015. With the assistance of Denison, the City will embark upon a complete review of its existing parking operations to include, but not be limited to, parking rate structure and available parking technology to enhance operations.

City of Pompano Beach									
Current Parking Fund Income Statement									
		Audited							**Pro Forma**	
Revenues		**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	
	Alsdorf Boat Lot Fees	108,054	102,150	103,360	107,311	100,656	152,407	189,246	228,675	
	Municipal Pier Parking	-	-	117,480	264,850	285,259	245,357	328,042	233,339	(a)
	Resident Parking Permit	-	-	236	8,948	8,325	7,254	11,933	13,920	
	Oceanside Parking Fees	79,742	69,689	66,879	67,224	65,694	78,345	109,962	115,242	
	Street Parking Meters (includes 16 st. lot)	75,616	67,256	95,049	107,146	158,410	87,268	155,217	161,860	
	Beach Parking (temp lot, PBB on street, other on street)	142,471	160,841	161,224	162,934	2,079	395,417	535,980	553,882	
	Hillsboro Inlet Pkg (new in FY 2015)	-	-	-	-	-	-	-	54,750	
	Parking Citations	157,419	166,863	162,657	206,321	198,080	221,383	311,523	327,373	
	Commercial Vehicle Citations	-	-	1,375	7,250	11,748	475	250	2,000	
	Land Rent	36,000	36,000	8,000	-	-	-	-	-	
	Interest Earnings	-	-	-	-	-	-	4,799	5,279	
	Total Revenues	**599,302**	**602,799**	**716,260**	**931,984**	**830,251**	**1,187,906**	**1,642,153**	**1,696,320**	

(a) Assumes construction on garage commences May 2015, so Pier lot revenue pro rated for FY 2015

		Actual							Pro Forma	
Expenditures		**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	
	Parking Enforcement	178,971	232,778	253,320	286,415	319,171	311,906	344,486	210,925	**(a)**
	Tourist Development	-	-	-	-	-	78,873	132,345	148,415	
	Labor	-	-	31,323	31,323	31,323	31,323	-	-	**(b)**
	Capital purchase and replacement	-	-	150,614	1,125	-	167,676	50,346	-	
	CIP-Divitos Lot	-	-	-	-	-	-	-	74,680	
	Special Legal	-	-	-	-	-	-	4,725	-	
	Professional Services	-	-	-	-	-	-	6,055	180,650	**(c)**
	Land Rent	-	-	-	-	-	-	3,600	247,146	**(d)**
	Accounting and Auditing	-	-	-	-	-	-	2,402	705	
	Administrative Service Charge	-	-	-	-	-	-	85,000	86,960	
	Information Technology Charges	-	-	-	-	-	-	9,968	18,773	
	Insurance - Risk General	-	-	-	-	-	-	10,000	10,000	
	Postage	-	-	-	-	-	-	15	-	
	Advertising	-	-	-	-	-	-	132	2,000	
	Supplies	-	-	1,210	-	2,654	4,906	7,299	7,299	
	Telephone	-	-	1,897	3,129	3,832	4,560	6,800	6,000	
	Monitoring	-	-	720	2,130	3,060	9,360	-	-	
	Electricity	-	-	216	216	216	216	-	300	
	Credit Card Fees	-	-	2,254	3,430	7,377	15,335	33,234	50,000	
	Total Expenditures	**178,971**	**232,778**	**441,554**	**327,768**	**367,633**	**624,155**	**696,407**	**1,043,853**	
Net Operations		420,331	370,021	274,706	604,215	462,618	563,751	945,746	652,467	
Income Net of Special Items		$420,331	$370,021	$124,092	$603,090	$462,618	$396,075	$895,400	$652,467	
(a)	Includes pro rata share of BSO pkg enforcement contract amount ($363,664*.58) for 7 months									
(b)	Minimal maintenance done on lots by Public Works - (striping, sweeping etc.). To be taken over by Denison on May 1, 2015									
(c)	Includes pro rata share of Denison Contract amount of $396,785 (5 months allocated to FY 2015 with May 1st projected start date)									
(d)	Includes Divito Lot Lease and Leased Lot at end of Atlantic (128 spaces currently leased)									

Site Specific Existing Experience

With the installation of the new electronic multi space meters on Pompano Beach Boulevard and in the Pier Lot, very detailed analysis is possible to provide guidance in making future projections using local experience. The data also offers useful checkpoints against which the projections can be measured for reasonableness. Since this parking is on the actual site of The Project or immediately adjacent, it is relevant to the forecasts and is expected to be typical of future behavior.

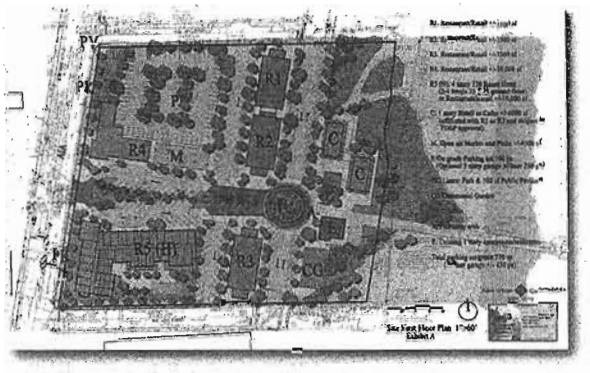
Existing Turnover May 1 to Aug 31 PIER LOT ONLY			
Revenue	$105,570.30	Daily Rev	$858.30
Spaces	315	Rev/Sp/day	$2.72
Transactions	39,440	Daily Trx	321
Rate	$1.25	Turns	1.02
Days	123		
Existing Turnover May 1 to Aug 31 ON-STREET ONLY			
Revenue	$186,785.28	Daily Rev	$1,518.58
Spaces	112	Rev/Sp/day	$13.56
Transactions	81,658	Daily Trx	664
Rate	$1.25	Turns	5.93
Days	123		
Pier Lot and On-Street Parking BLENDED Since Rate Increase starting May 1 to Aug 31			
Revenue	$292,355.58	Daily Rev	$2,376.88
Spaces	427	Rev/Sp/day	$5.57
Transactions	121,098	Daily Trx	985
Rate	$1.25	Turns	2.31
Days	123		

Source: Pompano Beach Finance Department

The data tables above highlight the different experiences in the existing operations of on-street parking along Pompano Beach Boulevard and the off street lot at the Pier. Note the dramatic difference in turnover and therefore revenue per space. This data includes all transactions from May 2013 through August of 2013. Under the current operating practices,

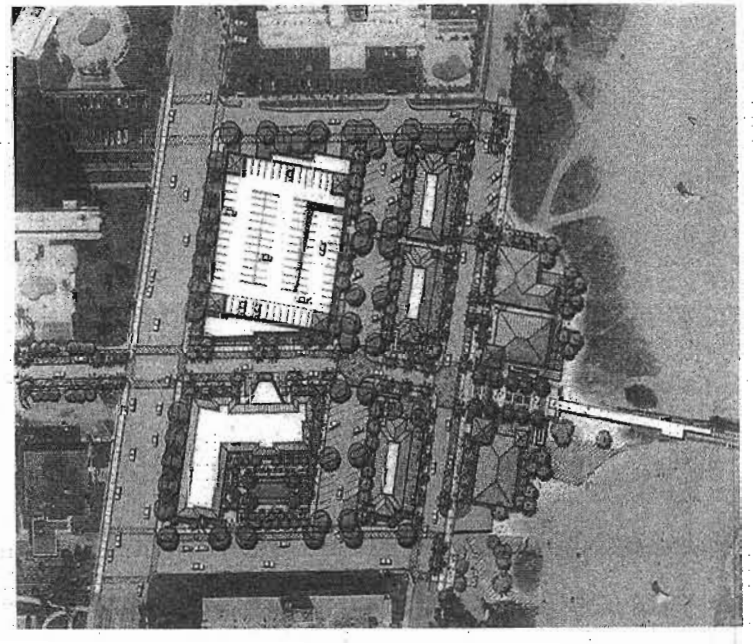
there is no difference in cost to the user for on street and off street parking. In a separate study LMG has previously recommended that the on street parking should be priced higher than parking in the garage to reflect the high value of its convenience and proximity to the beach. This policy recommendation will be brought forward for Commission consideration as the Project is developed and the private management company brings forth experience in the operation during its three year contract term.

Pier Development Plans



In January, 2012 the City Commission passed an ordinance approving the development of the pier and its parking area by a private developer (the "Developer") pursuant to a written agreement (the "Pier Development Agreement"). The proposed development scheme, shown here, envisions multiple buildings along Pompano Beach Boulevard surrounding the foot of the pier and containing restaurants and retail uses. In addition, a central plaza and new spine known as "Pier Street" is planned to extend west to A1A and include a hotel on its south side and small outbuildings and surface parking on its north side. The agreement envisioned the possibility of a parking garage with an option for either party to construct the building.

In July 2014 the City Commission approved various amendments to the Pier Development Agreement. More detailed planning and refinement of the project has resulted in a change to the central spine that creates a more pedestrian experience and emphasizes the connection of the Pier to the Intracoastal Waterway. While this eliminates some surface parking that was originally planned along Pier Street, it creates a more workable parcel to the north to accommodate the parking garage. The agreement was also modified to define the garage as the responsibility of the City and brings all parking revenues to the City and to make the construction of Pier Street the responsibility of the City in exchange for all on street parking revenue transferring to the City. This modification brings this agreement in line with previous recommendations by LMG that the City control all parking wherever possible to ensure rate and operational oversight



Summary of demand for a Garage

The primary driver for the Garage at Pompano Pier is the redevelopment of the existing surface lot. As discussed in the previous section, the changes envisioned result in complete elimination of the existing surface lot and all its spaces. While the proposed site plan replaces 62 spaces on surface streets within the proposed development, the net loss of the surface lot would trigger the need for a parking garage even without new demand generators. So, in preparing demand estimates for the future, a layer of background demand for public beach parking was added to the forecasts for parking demand from the new development. In addition, there are discussions in the following sections regarding the potential for a hotel in the latter stages of the development. For purposes of this analysis only, the demand forecasts *include* an analysis of a hotel in order to correctly size the Garage (number of spaces). However, for purposes of revenue forecasting, the hotel demand was *excluded*, and substituted with the minimum amount of retail space required for that phase in the Pier Development Agreement to represent a lower, more conservative revenue forecast.

The public beach parking demand and projections for future uses are all based on a model which was developed over the past three years for the East CRA District (ECRA) Master Plan. A separate report was prepared for the ECRA by LMG, which calibrated a parking demand model by block for the entire CRA and then projected future demand at build out. This report became the foundation for long range recommendations and later the creation of the Parking Enterprise Fund.

To most accurately project demand in projects with multiple uses, the demand must be generated for each use for each hour through the course of the day, then added together after making certain adjustments to account for users that might be patrons of more than one of the land uses located in the project. For example, if someone is staying in the hotel and eating lunch at one of the restaurants, they would be counted twice if this adjustment were not made. So, adjustments are shown both in this section, which generates hourly demand for each use to determine an aggregate peak demand for use in determining the size of the Garage as well as in the following section which generates turnover and annual demand to determine revenue forecasts.

The following pages contain tabular summaries of the peak demand rate assumptions for each land use anticipated in the Pier Development Agreement, assumptions for "capture" of patrons between the uses, and hourly demand estimates, all using values developed for the local market during the previously mentioned work on the ECRA Master Plan. The net result is a forecast of peak demand of 839 spaces, of which 615 would be served in the Garage, 162 would be served in on street spaces (of which there are currently 192 spaces) within the site and Pompano Beach Boulevard, and 62 would be using the newly constructed on site surface parking. Note the actual supply values will vary slightly as final design is completed, but do not effect the demand calculations as shown.

Zone PIER
City of Pompano Beach East CRA
Future Conditions = TOTAL BUILDOUT

Max Shared Demand	839
Supply	
Garage assumption	615
Overflow (neg value = none)	-30
On site surface	62
PB Blvd	192

WEEKDAY - INDIVIDUAL PEAK PERIOD PARKING DEMAND (NO SHARED PARKING)

Component	Description	Size		Pk Period [3]	Guests/Visitors Demand Rate [2]		Spaces	Employees Demand Rate		Spaces	Total Demand
Residential	NONE	0	units	11pm-6am	1.41	per unit	0				0
Restaurants	Quality	32,700	sf	7-8pm	8.40	per 1000 sf	275	3.4	per 1000 sf	111	386
Hotel	Limited Service	150	rm	11:00 PM	1.00	per room	150	0.2	per room	30	180
Hotel Meeting	Conference	3,000	sf	2:00 PM	25.00	per 1000 sf	75	0.0	per 1000 sf	0	75
Retail	Beach Oriented	15,800	sf	12-2pm	1.60	per 1000 sf	25	1.0	per 1000 sf	16	41
Other	Beach Parking	300									300
										Gross Total Not Shared	982
										Gross Total Shared	728

WEEKEND - INDIVIDUAL PEAK PERIOD PARKING DEMAND (NO SHARED PARKING)

Component	Description	Size		Pk Period [3]	Guests/Visitors Demand Rate [2]		Spaces	Employees Demand Rate		Spaces	Total Demand
Residential	NONE	0	units	11pm-6am	1.23	per unit	0				0
Restaurant	Quality	32,700	sf	7-8pm	12.04	per 1000 sf	394	3.4	per 1000 sf	111	505
Hotel	Limited Service	150	rm	11:00 PM	1.00	per room	150	0.2	per room	30	180
Hotel Meeting	Conference	3,000	sf	2:00 PM	25.00	per 1000 sf	75	0.0	per 1000 sf	0	75
Retail	Beach oriented	15,800	sf	12-2pm	1.97	per 1000 sf	31	1.0	per 1000 sf	16	47
Other	Beach Parking	300									300
										Gross Total Not Shared	1107
										Gross Total Shared	839

Footnotes

[1] Retail Capture is assumed at 80% for pier kiosks and plaza, restaurants at 30 percent

[2] 3rd Edition, Parking Generation Manual, Institute of Transportation Engineers, 2004.

[3] Shared Parking Study, Urban Land Institute, 1983

No incremental employees for the hotel conference facilities

retail capture [1]	
Assumed weekday captive ratio	80%
Assumed weekend captive ratio	80%

Zone PIER

City of Pompano Beach East CRA

Master Plan Parking Demand Projections

WEEKDAY - ESTIMATED PEAK PARKING DEMAND W/ SHARED PARKING

Hour	Residential	Rest.	Hotel Rms	Hotel Meeting	Retail	Captive	Other Beach
6am	100%	0%	100%	3%	0%	0%	14%
7	87%	2%	85%	20%	8%	0%	23%
8	79%	5%	65%	63%	18%	0%	39%
9	73%	10%	55%	93%	42%	0%	75%
10	68%	20%	45%	100%	68%	80%	87%
11	59%	30%	35%	100%	87%	80%	85%
Noon	60%	50%	30%	90%	97%	80%	87%
1pm	59%	70%	30%	90%	100%	80%	100%
2	60%	60%	35%	97%	97%	80%	99%
3	61%	60%	35%	93%	95%	80%	92%
4	66%	50%	45%	77%	87%	80%	85%
5	77%	70%	60%	47%	79%	80%	71%
6	85%	90%	70%	23%	82%	80%	68%
7	94%	100%	75%	7%	89%	80%	65%
8	96%	100%	90%	7%	87%	80%	50%
9	98%	100%	95%	3%	61%	0%	21%
10	99%	90%	100%	3%	32%	0%	18%
11	100%	70%	100%	0%	13%	0%	12%
12am	100%	50%	100%	0%	0%	0%	8%

Hour	Resid.	Rest.	Hotel Rooms	Hotel Meeting	Retail	Retail Captive	Retail Subtotal	Other Beach	Total Demand
6am	0	0	180	2	0	0	0	42	225
7	0	8	153	15	3	0	3	69	248
8	0	19	117	47	7	0	7	116	307
9	0	39	99	70	17	0	17	226	451
10	0	77	81	75	28	-22	6	260	499
11	0	116	63	75	36	-29	7	254	515
Noon	0	193	54	68	40	-32	8	261	583
1pm	0	270	54	68	41	-33	8	300	700
2	0	232	63	73	40	-32	8	296	671
3	0	232	63	70	39	-31	8	275	647
4	0	193	81	58	36	-29	7	256	595
5	0	270	108	35	32	-26	6	214	634
6	0	347	126	17	34	-27	7	203	701
7	0	386	135	5	37	-29	7	195	728
8	0	386	162	5	36	-29	7	151	711
9	0	386	171	2	25	0	25	63	647
10	0	347	180	2	13	0	13	53	595
11	0	270	180	0	5	0	5	35	490
12am	0	193	180	0	0	0	0	24	397

Pier Parking Garage/Pier Street Details

The proposed parking Garage contains a total of 609-620 (subject to final design details) spaces on 5 floors (ground floor plus four elevated decks). The building is planned to contain a total of 218,804 gross square feet, of which 184,136 is elevated slab and 6,877 square feet is retail space on the south side fronting Pier Street, which is the gateway to the redevelopment area along the beach and the Pompano Beach Pier. The building rests on pilings, and is constructed of precast concrete. There are two glass enclosed elevators in the southeast corner offering dramatic ocean and beach views. The architecture is iconic, with wave-like sail structures surrounding the building. The functional design of the building results in flat parking floors and no parking on ramps, so that users can see throughout each floor to the ocean and feel safe and easily find elevators and stairs. Revenue collection and payment systems will be electronic and automated to not hinder egress. The ground floor parking area is specifically laid out for maximum valet parking to serve the new restaurants along the beach. The structure is designed for a 50 year life and special care is being exercised to recognize the marine/salt environment.
To maximize queuing capacity and customer convenience, the access points to the garage are located on its east face. This requires the construction of new roadways around the building, connecting NE 2nd Street to NE 3rd Street in a north/ south direction, and a new roadway along the south side of the building (Pier Street) that will connect Pompano Beach Boulevard to State Road A1A. The intersection of Pier Street and A1A will be signalized by the City under another scope of work. A loop of water service will be laid in these roads to provide fire connections, and sewer lines will be extended throughout. A master drainage system will accommodate site stormwater drainage. The connecting roads and infrastructure will contain an additional 62 parking spaces on the streets that will be metered. There are 192 existing spaces on Pompano Beach Boulevard.

The City is in the process of negotiating a Guaranteed Maximum Price Contract with Kaufman Lynn Construction to design and build the above-described improvements. Under a typical American Institute of Architects contract procedure, notice to proceed has been given for the first phase of the work, which includes all design, permitting and bidding. Upon completion of this work, a Final GMP will be issued and notice to proceed will be issued for the actual construction of the work. This Final GMP is anticipated to be approved in mid April 2015, and the Preliminary Price issued by the Contractor was $17,618,821 to include all design and construction components.

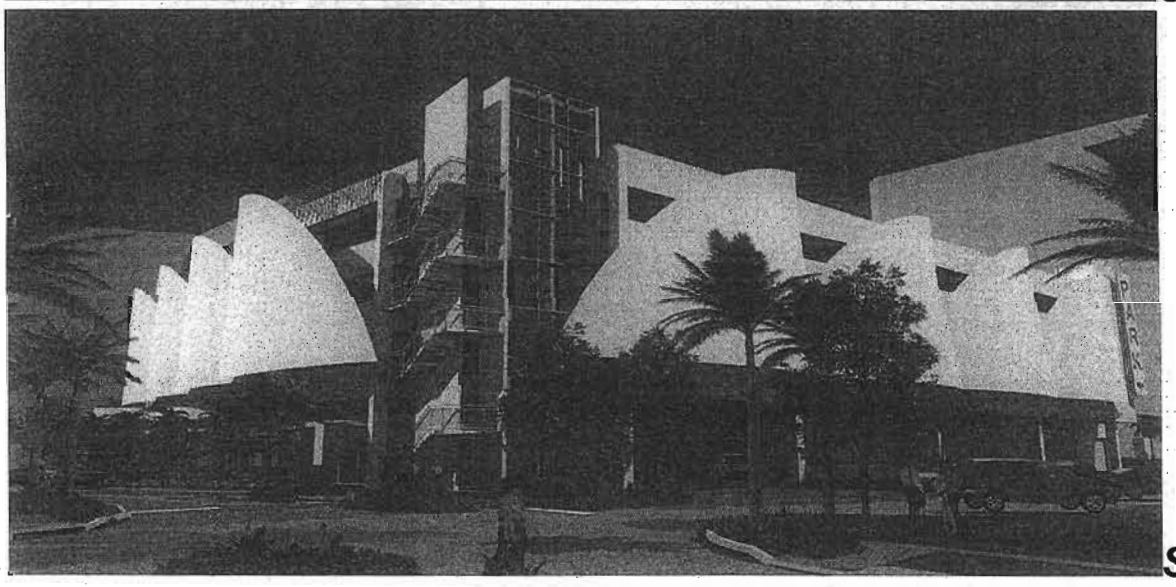
Estimated Price Details for the Project

Design Cost	$ 1,213,573
Construction Costs:	
Base Bid	11,302,679
Add--	
Demo & Site Prep	267,929
Building Pad	32,753
Pier Street	949,634
Vegetated Top Deck Trellis	1,367,657
Vegetated Walls	581,385
Additional Level	2,464,558
Provisions for Restaurant	41,036
Anodized Finish for Sails	611,190
Subtotal Construction Costs	17,618,821
Total Estimated Project Costs	**$18,832,394**

Note: Costs include all utilities and surrounding roads (all project components)

The following pages contain images from the latest available design concepts prepared by the design build team at the time of this writing.

Southwest Corner



Southeast Corner

Proforma Operations

The focus of the analysis, accounting for all the previously discussed items along with the forecasted demand, was to develop a pro forma for the operation of the proposed Garage and related parking included in the Project. The following sections will describe the methodology used to generate demand for annual hours parked and turnover estimates, revenue forecasts based on that demand and expenses anticipated in the operation of the Project.

Project Phasing

Through consultations with the Pier Area developer and subsequent review by the City Finance Department, LMG has created a matrix of conservative assumptions (lower than expected) for the development and use of the Project subject to the Pier Development Agreement. As discussed previously, for purposes of financial projections only, the final phase of the Pier Area project, which is under discussion as a hotel, is assumed to be developed as retail space and a small restaurant. This scenario results in the lowest plausible revenue generation. The five year assumed program is illustrated in the table on the following page.

Pier Area Development										
Development Timing Assumptions										
	Projected					Financing Assumptions (1)				
Parcel	Use	#	Unit	#	Unit	FY 2016	FY 2017	FY 2018	FY 2019	FY2020
Beach	Recreation	300	cars			100%	100%	100%	100%	100%
C1	Restaurant	6,700	SF	225	Seats	0%	75%	100%	100%	100%
C2	Restaurant	8,700	SF	325	Seats	0%	75%	100%	100%	100%
R1	Retail	7,000	SF	-		0%	75%	100%	100%	100%
R2	Restaurant	5,200	SF	175	Seats	0%	0%	25%	100%	100%
R3	Restaurant	6,100	SF	225	Seats	0%	75%	100%	100%	100%
R4	Restaurant	2,500	SF	75	Seats	0%	0%	0%	25%	100%
	Retail	2,300	SF	-		0%	0%	0%	25%	100%
R5	Restaurant	2,000	SF	100	Seats	0%	0%	0%	25%	100%
(R5 is hotel opt)	Retail	6,500	SF	-		0%	0%	0%	25%	100%
E	Restaurant	1,500	SF	150	Seats	75%	100%	100%	100%	100%
	TOTAL	***48,500***		***1,275***						
		15,800	***retail only***							

(1) Financing Assumptions indicates percentage of projected revenues for each parcel anticipated to come online for each fiscal year based on conservative parcel development timing assumptions.

Effective Development Density by Year (by development site)

Parcel	Projected Use		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Beach	Recreation	cars	300	300	300	300	300
C1	Restaurant	Seats	0	169	225	225	225
C2	Restaurant	Seats	0	244	325	325	325
R1	Retail	SF	-	5,250	7,000	7,000	7,000
R2	Restaurant	Seats	0	0	44	175	175
R3	Restaurant	Seats	0	169	225	225	225
R4	Restaurant	Seats	0	0	0	19	75
	Retail	SF	-	-	-	575	2,300
R5	Restaurant	Seats	0	0	0	25	100
(R5 is hotel opt)	Retail	SF	-	-	-	1,625	6,500
E	Restaurant	Seats	113	150	150	150	150
	TOTAL	***SF***	***-***	***5,250***	***7,000***	***9,200***	***15,800***
		Seats	***113***	***732***	***969***	***1144***	***1275***

Effiective Densities by Year (by Land Use)

		Financing Assumptions				
		FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Restaurants	Seats	113	732	969	1,144	1,275
Hotel	Rooms	-	*note hotel pad is assumed as retail*			
Hotel Meeting	Seats	-	*to present the most conservative demand*			
Retail	Square Feet	-	5,250	7,000	9,200	15,800
Beach	spaces	300	300	300	300	300

Annual Hours Parked

The first step in developing the pro forma is to convert the estimated peak hour and shared parking demand to actual parking duration based on rates published by the Urban Land Institute (Shared Parking, 1985) and current National Parking Association publications, supplemented by the local data discussed in the earlier sections, so that proposed rates can be applied and revenue estimated. The estimated annual hours parked are illustrated below for each of the development years and discussed in detail in the following paragraphs. The first development year is FY 2016.

Patron Demand Factors												
FY 2016		*convert uses to people*			*convert people to parkers*					*convert parkers to hours*		
Land Use	Generator	Size	Daily Turnover	Persons	Auto Occupancy	Daily Parkers	Capture rate or occupancy	Net daily parkers	Net Annual Parkers	Avg. Hourly Duration	Annual Parking Hours	Annual Parking Days
Restaurants	Seats	113	2.9	326	2.6	125	25%	94	34,350	2.2	75,571	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	-	0.1	-	2.4	-	80%	-	-	1	-	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
						total daily parkers ==>		*432*	*turn*	*0.70*		

The second year is as follows:

Patron Demand Factors												
FY 2017		*convert uses to people*			*convert people to parkers*					*convert parkers to hours*		
Land Use	**Generator**	**Size**	**Daily Turnover**	**Persons**	**Auto Occupancy**	**Daily Parkers**	**Capture rate or occupancy**	**Net daily parkers**	**Net Annual Parkers**	**Avg. Hourly Duration**	**Annual Parking Hours**	**Annual Parking Days**
Restaurants	Seats	731	2.9	2,121	2.6	816	25%	612	223,277	2.2	491,210	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	5,250	0.1	525	2.4	219	80%	44	15,969	1	15,969	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
						total daily parkers ==>		*993*	*turnover*	*1.61*		

The third year is as follows:

Patron Demand Factors												
FY 2018		*convert uses to people*			*convert people to parkers*					*convert parkers to hours*		
Land Use	**Generator**	**Size**	**Daily Turnover**	**Persons**	**Auto Occupancy**	**Daily Parkers**	**Capture rate or occupancy**	**Net daily parkers**	**Net Annual Parkers**	**Avg. Hourly Duration**	**Annual Parking Hours**	**Annual Parking Days**
Restaurants	Seats	969	2.9	2,809	2.6	1,081	25%	810	295,795	2.2	650,748	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	7,000	0.1	700	2.4	292	80%	58	21,292	1	21,292	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
						total daily parkers ==>		*1,206*	*turnover*	*1.96*		

The fourth year is as follows:

Patron Demand Factors												
FY 2019		*convert uses to people*			*convert people to parkers*					*convert parkers to hours*		
Land Use	**Generator**	**Size**	**Daily Turnover**	**Persons**	**Auto Occupancy**	**Daily Parkers**	**Capture rate or occupancy**	**Net daily parkers**	**Net Annual Parkers**	**Avg. Hourly Duration**	**Annual Parking Hours**	**Annual Parking Days**
Restaurants	Seats	1,144	2.9	3,317	2.6	1,276	25%	957	349,229	2.2	768,303	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	9,200	0.1	920	2.4	383	80%	77	27,983	1	27,983	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
						total daily parkers ==>		*1,371*	*turnover*	*2.23*		

The fifth (full build out) year is as follows:

Patron Demand Factors												
FY 2020		*convert uses to people*			*convert people to parkers*					*convert parkers to hours*		
Land Use	**Generator**	**Size**	**Daily Turnover**	**Persons**	**Auto Occupancy**	**Daily Parkers**	**Capture rate or occupancy**	**Net daily parkers**	**Net Annual Parkers**	**Avg. Hourly Duration**	**Annual Parking Hours**	**Annual Parking Days**
Restaurant	Seats	1,275	2.9	3,698	2.6	1,422	25%	1,067	389,304	2.2	856,469	
Hotel	Rooms	-	1.2	-	1	-	65%	-	-	n/a		-
Hotel Meeting	Seats	-	1.1	-	2	-	0%	-	-	2.5	-	
Retail	Square Feet	15,800	0.1	1,580	2.4	658	80%	132	48,058	1	48,058	
Beach	Visitor	300	2.25	675	2	338	0%	338	123,188	2.4	295,650	
						total daily parkers ==>		*1,536*	*turnover*	*2.50*		

The first step in the analysis is to estimate the number of persons that would be generated by each land use on a typical day by estimating the capacity of the space and then by estimating the number of times that space would "turnover" through the course of the day. For example, if a restaurant serves 200 patrons a day and has 100 seats, its turnover would be 200 divided by 100 or 2.

Because the project is expected to have a variety of restaurants, a blended turnover rate of 2.9 was applied to the total capacity. Establishments that are more beach oriented or casual would be expected to have a much higher rate, while more formal restaurants might be expected to have a lower rate.

Hotel users are expected in two categories, room guests and meetings, which must be estimated separately. The room guest category is estimated by applying a turnover rate of 1.2 to reflect one user for each room plus an additional 0.2 to account for employees.

Meetings are estimated to turnover only once per day, reflecting the limited facilities anticipated on the site and the fact that these estimates are being averaged over the course of an entire year. We would anticipate another 0.1 turnover would be observed to account for incremental employee additions for these meetings.

The retail category is shown with a turnover of 0.1 per thousand square feet, which is a mathematical representation of a daily anticipated customer count of 100 customers for every thousand square feet of space. This daily estimate is based on the developer's description of the character of the space as high activity, beach oriented stores such as surf shops and convenience retail catering to the beachgoer.

Finally, recreational beachgoer daily turnover was based on the experience of Pompano Beach over the past two years since the improvement projects were undertaken and meter revenue has been available. Beginning with the baseline assumption that a relatively consistent supply of 300 spaces would be ideal (compared to the current supply of off street spaces), a blended turnover of 2.25 would appear to mimic current experience and our observations.

Next, the number of daily users for each generator must be converted to Net Annual Parkers (or vehicles parked) by applying a factor to account for how many people are in each vehicle and how many people are actually unique to each land use (as opposed to those already there, generated by another use in the project or area). The applied factors and rationale are discussed below.

Restaurant users are estimated to arrive at a rate of 2.6 persons per auto, indicating a tendency for patrons to arrive in groups of 2 to 3 persons. Further, it was estimated that 25 percent of the restaurant patrons would be generated by the other uses nearby such as the hotel guests or the beachgoers. This number will likely be substantially higher for the casual dining or high turnover kiosks but lower for the more formal dining experience.

Hotel users are not expected to share vehicles and so are given an auto occupancy of 1.0 persons per vehicle. A 65 percent occupancy factor is applied to the hotel demand to reflect long term annual occupancy rates in the hotel industry nationally. Hotel meeting attendees (this includes non meeting events such as weddings) are estimated to experience a 2.0 persons per vehicle rate of occupancy and these persons are estimated to be unique to the event or meeting and not generated by any other use in the project or area.

Retail patrons are forecast to arrive at a rate of 2.4 persons per auto but only 20 percent of the patrons are expected to be unique to the retail stores, and 80 percent are forecast to be at the site for other reasons. This is consistent with the developer's stated intention of seeking tenants that would be attracted to a beach location (surf shop, sun protection products, towels, incidentals) and would take advantage of the pier and recreational user.

Beachgoers are estimated to arrive at an average of 2.0 persons per auto over the course of the year. There is no reduction for shared uses since the beachgoer is the source of all other shared users in the project. After observing the

beach parking operations over the last three years, LMG has found that while the occupancy rate is likely higher during peak periods and holiday seasons, the majority of the days of the year would be closer to this value.

Parking duration estimates are the last step prior to estimating revenue generation. The model is highly sensitive to the duration in an area where the majority of the parkers are paying hourly by space. Therefore, whenever estimating duration, we have chosen to utilize the low end of an acceptable range so that the resulting revenue ends up at the low end of the range.

Restaurant users can be expected to remain parked for a duration of 2 to 3 hours. For purposes of this analysis, we applied a factor of 2.2 hours to reflect the lowest reasonable range of revenue, assuming a 2.0 hour restaurant experience plus 0.2 hours for walking to and from the restaurant or strolling at the beach.

Hotel Guests are not estimated by duration because they will be charged by the day in a wholesale parking arrangement with the hotel operator.

Meeting Attendees will average 2.5 hours for each vehicle, which is a blended rate between weekday luncheon or dinner meetings and weekend weddings and similar family events.

Retail patrons that drive exclusively for the purpose of this destination are expected to have an average duration of 1.0 hour.

Beachgoers are expected to stay for a duration consistent with existing experience at the surface lot and Pompano Beach Boulevard, or 2.4 hours.

Revenue Generation

The next step in pro forma development is the estimation of revenues based on the hours of parking forecast in the previous step. Given that the City has maintained its rate at the lower range of parking rates in coastal Broward County, we have a high degree of confidence in the ability of the Parking Enterprise Fund to generate these revenues given the apparent elasticity in the rates in the area. Again, to emphasize the conservative approach to the analysis, the hourly rates used to develop the forecasts were at $1.25 per hour, which is the rate currently in force. Valet parking is considered important to the restaurant operation, and is assigned a rate of $7.50 per parking event, regardless of duration.

The resulting revenue generation for each of the first five years of operation from each use is summarized in the following table and discussed in the subsequent text:

First year revenue

FY 2016													
Parker Gross Revenue Generation		*Calculate Valet Revenue*				*Calculate Self Park Revenue*							
	Annual Hours or Events	**Pct Valet**	**Valet Revenue**	**Valet Operating Cost**	**Adjusted Gross Valet Revenue**	**Pct Self Park**	**Self Park Revenue**	**Revenue Split with hotel**	**Adjusted Self Park Revenue**	**Total Adj Gross Revenue**	**remarks**		
Restaurants	75,571	0%	$0	see expense	$0	100%	$94,463		$94,463	$94,463	valet cost is in operating cost est		
Retail	-	2%	$0	see expense	$0	98%	$0		$0	$0	valet cost is in operating cost est		
Beach	295,650	2%	$18,478	see expense	$18,478	98%	$362,171		$362,171	$380,649	valet cost is in operating cost est		
									TOTAL	**$475,113**			

Second year revenue:

FY 2017											
Parker Gross Revenue Generation		*Calculate Valet Revenue*				*Calculate Self Park Revenue*					
	Annual Hours/Events	**Pct Valet**	**Valet Revenue**	**Valet Operating Cost**	**Adjusted Gross Valet Revenue**	**Pct Self Park**	**Self Park Revenue**	**Revenue Split with hotel**	**Adjusted Self Park Revenue**	**Total Adj Gross Revenue**	**remarks**
Restaurants	491,210	25%	$418,645	see expense	$418,645	75%	$460,510		$460,510	$879,155	valet cost is in operating cost est
Retail	15,969	2%	$2,395	see expense	$2,395	98%	$19,562		$19,562	$21,957	valet cost is in operating cost est
Beach	295,650	2%	$18,478	see expense	$18,478	98%	$362,171		$362,171	$380,649	valet cost is in operating cost est
									TOTAL	**$1,281,761**	

Third year revenue:

FY 2018												
Parker Gross Revenue Generation		*Calculate Valet Revenue*				*Calculate Self Park Revenue*						
	Annual Hours/Events	**Pct Valet**	**Valet Revenue**	**Valet Operating Cost**	**Adjusted Gross Valet Revenue**	**Pct Self Park**	**Self Park Revenue**	**Revenue Split with hotel**	**Adjusted Self Park Revenue**	**Total Adj Gross Revenue**	**remarks**	
Restaurants	650,748	25%	$554,615	see expense	$554,615	75%	$610,077		$610,077	$1,164,692	valet cost is in operating cost est	
Retail	21,292	2%	$3,194	see expense	$3,194	98%	$26,082		$26,082	$29,276	valet cost is in operating cost est	
Beach	295,650	2%	$18,478	see expense	$18,478	98%	$362,171		$362,171	$380,649	valet cost is in operating cost est	
									TOTAL	**$1,574,617**		

Fourth year revenue:

FY 2019											
Parker Gross Revenue Generation		*Calculate Valet Revenue*				*Calculate Self Park Revenue*					
	Annual Hours/Events	**Pct Valet**	**Valet Revenue**	**Valet Operating Cost**	**Adjusted Gross Valet Revenue**	**Pct Self Park**	**Self Park Revenue**	**Revenue Split with hotel**	**Adjusted Self Park Revenue**	**Total Adj Gross Revenue**	**remarks**
Restaurants	768,303	25%	$654,804	see expense	$654,804	75%	$720,284		$720,284	$1,375,088	valet cost is in operating cost est
Retail	27,983	2%	$4,198	see expense	$4,198	98%	$34,280		$34,280	$38,477	valet cost is in operating cost est
Beach	295,650	2%	$18,478	see expense	$18,478	98%	$362,171		$362,171	$380,649	valet cost is in operating cost est
									TOTAL	**$1,794,214**	

Fifth (Build out) year revenue:

FY 2020											
Parker Gross Revenue Generation		*Calculate Valet Revenue*				*Calculate Self Park Revenue*					
	Annual Hours/Events	**Pct Valet**	**Valet Revenue**	**Valet Operating Cost**	**Adjusted Gross Valet Revenue**	**Pct Self Park**	**Self Park Revenue**	**Revenue Split with hotel**	**Adjusted Self Park Revenue**	**Total Adj Gross Revenue**	**remarks**
Restaurants	856,469	25%	$729,945	see expense	$729,945	75%	$802,940		$802,940	$1,532,885	valet cost is in operating cost est
Retail	48,058	2%	$7,209	see expense	$7,209	98%	$58,871		$58,871	$66,080	valet cost is in operating cost est
Beach	295,650	2%	$18,478	see expense	$18,478	98%	$362,171		$362,171	$380,649	valet cost is in operating cost est
									TOTAL	**$1,979,614**	

As in the previous discussion, each use is estimated individually, accounting for some split between valet users and self parkers. For the restaurants, valet is forecast to be a meaningful portion of the business, comprising a quarter of all the parking events. The remaining uses are all forecast to see a nominal utilization of the valet, perhaps at special events and the like, at one in fifty vehicles.

Expenses

Operating expenses associated with the garage were estimated based on LMG's previous experience and consultation with a large local operator, with the exception of contractual costs solicited directly by the City for management of the garage and valet operations. While a garage of this size can easily be fully automated, it was anticipated that the City will desire a high level of service for the user that will require "parking ambassadors" and active management. In addition, the valet operation will add labor costs that are accounted for in this estimate. The next largest category of expense will be building power for lighting and the elevator system. The balance of the categories reflects typical experience in a building this size.

Since the previous study, the City has contractually retained third party management services (Denison Parking) for its overall parking operations, inclusive of the management of the parking citation program. In addition, the contractor submitted a bid for garage and valet management services, the proposed expenses for which have been incorporated in the following table. The contractual management expenses are fixed for three years, so the cash flows remain the same until the fourth year when they are escalated by the selected annual inflation rate. It is anticipated that the garage will be open May 2016 and as such garage management expenses have been prorated for that fiscal year. It is anticipated that the valet operations will not commence until fiscal year 2017 (January 1) when planned restaurants to be serviced by the valet services will come online.

EXPENSES:	Monthly	Pro Forma Baseline Annual Expense
Professional Services – Garage Management (Denison Parking)	$13,964	$167,568
Claims/Accidents	$150	$1,800
Facility Insurance Premiums	$800	$9,600
Supplies	$600	$7,200
Repairs and Maintenance	$300	$3,600
Licenses and Permits	$100	$1,200
Telecommunications	$350	$4,200
Sweeping/Power Washing	$750	$9,000
Professional Services (Other)	$50	$600
Printing and Copying	$150	$1,800
Signs	$350	$4,200
Credit Card Processing Fees	$1,096	$13,152
Building Power	$1,666	$19,992
Utilities (water/sewer)	$500	$6,000
Miscellaneous	$1,000	$12,000
Subtotal Expenses (without valet)	$21,826	$261,912
Professional Services (Valet-Denison Parking-to come online in FY 2017)	$8,277	$99,321
Total Expenses with valet		$361,233

Cash Flow Projections

The above estimates of revenues and expenses were combined to develop long term cash flow projections for use in developing system operations plans and future debt service models. In consultation with the City's Finance Department, a compound annual growth rate of 3% was applied to both revenue (after the Pier Development Project five year lease up period) and Parking Enterprise Fund operating expenses (expenses after the first three years) to develop a 25 year model. This rate is not meant to predict an annual event regarding rates or expense experience, but rather to smooth out variations expected over the time horizon and provide a guide to planning future operations and financial commitments. The projected cash flows are illustrated below.

It should be noted that projections included herein represents assumptions and expectations in light of LMG's industry experience and reliance on currently available information. These projections are further based on industry trends, data specific to the City's experience and other factors, and they involve risks, variables and uncertainties. As a result, actual performance results may differ from those projected. Consequently, no guarantee is presented or implied as to the accuracy of specific projections contained herein.

Pier Parking Garage and Other Project Components (The Project)

Projections of Income and Expense			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Adjusted Gross Revenue	CAGR	3%	none	$475,113	$1,281,761	$1,574,617	$1,794,214	$1,979,614	$2,039,003
Operating Expense	CAGR	3%	none	$164,723	$336,403	$361,233	$372,070	$383,232	$394,729
Net Revenue (The Project)			none	$310,390	$945,358	$1,213,384	$1,422,144	$1,596,382	$1,644,274
			FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Adjusted Gross Revenue	CAGR	3%	$2,100,173	$2,163,178	$2,228,073	$2,294,916	$2,363,763	$2,434,676	$2,507,716
Operating Expense	CAGR	3%	$406,571	$418,768	$431,331	$444,271	$457,599	$471,327	$485,467
Net Revenue (The Project)			$1,693,602	$1,744,410	$1,796,742	$1,850,645	$1,906,164	$1,963,349	$2,022,249
			FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Adjusted Gross Revenue	CAGR	3%	$2,582,948	$2,660,436	$2,740,249	$2,822,457	$2,907,131	$2,994,344	$3,084,175
Operating Expense	CAGR	3%	$500,031	$515,032	$530,483	$546,397	$562,789	$579,673	$597,063
Net Revenue (The Project)			$2,082,917	$2,145,404	$2,209,766	$2,276,059	$2,344,341	$2,414,672	$2,487,112
			FY 2036	FY 2037	FY 2038	FY 2039			
Adjusted Gross Revenue	CAGR	3%	$3,176,700	$3,272,001	$3,370,161	$3,471,266			
Operating Expense	CAGR	3%	$614,975	$633,424	$652,427	$672,000			
Net Revenue (The Project)			$2,561,725	$2,638,577	$2,717,734	$2,799,266			

Note: Operating expenses exclude valet operational expenses in 2016 as valet starts 1/1/17. Garage mgmt. expenses prorated as of opening 5/1/16. Expenses are inflated starting in 2019 by 3% and Revenues by 3% starting in 2021.

CAGR=Compound Annual Growth Rate

Parking Enterprise Fund Projected Cash Flows

	FISCAL YEAR						
	2015	2016	2017	2018	2019	2020	2021
NET REVENUES (THE PROJECT)	-	310,390	945,358	1,213,38	1,422,14	1,596,38	1,644,27
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000	500,000	500,000
SURPLUS FUNDS	500,000	810,390	1,445,35	1,713,38	1,922,14	2,096,38	2,144,27

	FISCAL YEAR						
	2022	2023	2024	2025	2026	2027	2028
NET REVENUES (THE PROJECT)	1,693,602	1,744,410	1,796,742	1,850,645	1,906,164	1,963,349	2,022,249
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000	500,000	500,000
SURPLUS FUNDS	2,193,602	2,244,410	2,296,742	2,350,645	2,406,164	2,463,349	2,522,249

	FISCAL YEAR						
	2029	2030	2031	2032	2033	2034	2035
NET REVENUES (THE PROJECT)	2,082,917	2,145,404	2,209,766	2,276,059	2,344,341	2,414,672	2,487,112
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000	500,000	500,000
SURPLUS FUNDS	2,582,917	2,645,404	2,709,766	2,776,059	2,844,341	2,914,672	2,987,112

	FISCAL YEAR				
	2036	2037	2038	2039	2040
NET REVENUES (THE PROJECT)	2,561,725	2,638,577	2,717,734	2,799,266	2,883,244
CURRENT PARKING (NON PROJECT) NET REVENUES	500,000	500,000	500,000	500,000	500,000
SURPLUS FUNDS	3,061,725	3,138,577	3,217,734	3,299,266	3,383,244

Note: This table reflects projected "Project" and current parking system net revenues (as they exist today) that may provide an additional source of non-ad valorem revenue available as a source of repayment for financing obtained for The Project.

POMPANO BEACH FINANCE CORPORATION

TAXABLE CERTIFICATES OF PARTICIPATION
(PARKING GARAGE PROJECT),
SERIES 2015

RESOLUTION NO. 2015-198

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RESOLUTION NO. 2015-198

A RESOLUTION OF THE POMPANO BEACH FINANCE CORPORATION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A GROUND LEASE; APPROVING THE FORMS, AND AUTHORIZING EXECUTION, OF A TRUST AGREEMENT TO PROVIDE FOR THE ISSUANCE OF NOT EXCEEDING $24,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015, IN ADDITION TO COMPLETION CERTIFICATES AND REFUNDING CERTIFICATES; APPOINTING A FINANCIAL INSTITUTION TO SERVE AS TRUSTEE UNDER THE TRUST AGREEMENT; APPROVING THE FORMS, AND AUTHORIZING EXECUTION OF, A LEASE PURCHASE AGREEMENT AND SCHEDULE TO THE LEASE PURCHASE AGREEMENT TO REFLECT ISSUANCE OF THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN ASSIGNMENT OF LEASES; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A CERTIFICATE PURCHASE AGREEMENT, SUBJECT TO THE PARAMETERS SET FORTH HEREIN PERTAINING TO THE SALE OF THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015; APPROVING OBTAINING A COMMITMENT FOR THE ISSUANCE OF A MUNICIPAL BOND INSURANCE POLICY SECURING THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015 AND/OR RESERVE ACCOUNT SURETY BOND AND THE EXECUTION OF RELATED AGREEMENTS WITH THE INSURER; APPROVING A FORM OF PRELIMINARY OFFERING STATEMENT AND AUTHORIZING EXECUTION AND DELIVERY OF A FINAL OFFERING STATEMENT; APPROVING THE FORM OF AND AUTHORIZING EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING ALL REQUIRED ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE TAXABLE CERTIFICATES OF PARTICIPATION (PARKING GARAGE PROJECT), SERIES 2015; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE POMPANO BEACH FINANCE CORPORATION:

SECTION 1. DEFINITIONS. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Trust Agreement (hereinafter defined), unless otherwise provided or unless the context otherwise clearly requires.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. The City of Pompano Beach, Florida (the "City") has the power, under the City Charter of the City, Chapter 166, Florida Statutes, as amended, and other applicable provisions of law to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for the purpose of providing municipal facilities and improvements and to enter into lease or lease-purchase agreements with respect to real and personal property for such purpose.

B. The City is the owner of certain real property (the "Land") within the City adjacent to the City's public beach and public pier area, as more fully described in the Ground Lease (hereinafter defined). A portion of such Land is described as the "beach parking lot" or "pier parking lot" in the City Charter. The City has determined it is necessary and in the best interests of the City to lease-purchase, finance and refinance, all or in part, the acquisition, construction and installation of a new public parking garage and appurtenant public facilities and related public improvements, including roadways (which may include associated signalization), water, sewer and drainage facilities, landscaping and on-street parking spaces, as shall be finally described in the hereinafter defined Lease Schedule (collectively, the "Project"). The City has further found and determined that the lease of the portion of the Land described as the "beach parking lot" or "pier parking lot" in the City Charter as contemplated by the Ground Lease and the Lease Purchase Agreement (as such terms are hereinafter defined) provides a benefit to the public at large as contemplated by the City Charter. The Ground Lease and the Lease Purchase Agreement require that such portion of the Land be used as the site of a public parking garage for the benefit of the public at large throughout the term of the Ground Lease.

C. In furtherance of the foregoing, the City, as ground lessor, and the Pompano Beach Finance Corporation, a Florida not-for profit corporation (the "Corporation"), as ground lessee, desire to enter into a written ground lease agreement substantially in the form attached hereto (the "Ground Lease") with respect to the Land, pursuant to which the City will ground lease the Land to the Corporation. Contemporaneously therewith, the Corporation, as lessor, and the City, as lessee, desire to enter into a written lease-purchase agreement substantially in the form attached hereto (the "Lease Purchase Agreement") to provide for the lease of the Land back to the City and the lease-purchase and financing of the Project by the City and a Lease Schedule to the Lease Purchase Agreement to reflect, among other matters, the schedule of Basic Rent Payments to be made by the City relating to the Land and the Project (the "Lease Schedule" and, together with the Lease-Purchase Agreement, the "Lease"), subject to the terms and conditions of the Lease.

D. The City and the Corporation will provide for the payment of the cost of acquiring, constructing and installing the Project by (a) establishing a trust and assigning to The Bank of New York Mellon Trust Company, N.A. (the "Trustee") as trustee under a Trust Agreement (the "Trust Agreement"), as supplemented from time to time, among the City, the Corporation and the Trustee, substantially all of the Corporation's right, title and interest in the Lease, (b) directing the Trustee to

execute and deliver not exceeding $24,000,000 in aggregate principal amount of Taxable Certificates of Participation (Parking Garage Project), Series 2015, evidencing undivided proportionate interests in the right to receive Basic Rent Payments to be made by the City pursuant to the Lease (the "Series 2015 Certificates") (in addition to Completion Certificates and Refunding Certificates which may be issued under the Trust Agreement in accordance with the terms thereof, which are referred to collectively with the Series 2015 Certificates as the "Certificates"), and (c) directing the Trustee to hold the proceeds of the sale of the Certificates in trust, subject to application to pay the costs, all or in part, of the acquisition, construction and installation of the Project and to make payments to holders of the Certificates.

E. Due to the present volatility of the market for instruments such as the Series 2015 Certificates, and the complexity of the transactions relating to the Series 2015 Certificates, the City has determined it is in the best interest of the City for the Series 2015 Certificates to be sold by a delegated, negotiated sale, rather than at a specified advertised date, in order to permit the Series 2015 Certificates to be sold at the most advantageous time and to obtain the best possible price and interest rates for the Series 2015 Certificates.

F. RBC Capital Markets, LLC (the "Underwriter") has offered to purchase the Series 2015 Certificates by negotiated sale and has submitted to the Corporation and the City a Certificate Purchase Agreement in the form attached hereto (the "Certificate Purchase Agreement"). The Underwriter will provide the City with a disclosure and truth-in-bonding statement containing the information required by Section 218.385, Florida Statutes prior to acceptance by the City of the Underwriter's offer to purchase the Series 2015 Certificates.

G. It is now appropriate to authorize the lease-purchase and financing and refinancing of the Project through the issuance of the Certificates and to determine the terms and details of the Series 2015 Certificates, subject to the Parameters (hereinafter defined) among other matters related thereto. The City has previously declared its intent to reimburse certain costs of the Project incurred prior to the issuance of the Series 2015 Certificates from proceeds of the Series 2015 Certificates. Any such costs to be so reimbursed shall be specified in the Lease Schedule.

H. All amounts payable by the City in connection with the lease purchase and financing and refinancing of the Project, including all Basic Rent Payments due under the Lease, shall be payable solely from unpledged and legally available funds appropriated for such purpose by the City and it will not be necessary nor has there been authorized the levy of taxes on any property in the City to pay for same, and the full faith and credit of the City is not pledged for payment of such sums.

SECTION 3. GROUND LEASE. The Ground Lease, substantially in the form submitted at this meeting and attached hereto as Exhibit A, is hereby approved, with such insertions, modifications and changes as are necessary and appropriate to further evidence the details of the lease-purchase and financing of Project, consistent with the Parameters, and approved by the President of the Corporation (the "President") or Vice President of the Corporation (the "Vice President"), in consultation with the City Attorney and the City's Special Counsel. Upon such approval, either of the President or Vice President or their respective designee, is hereby authorized

and directed to execute, and the Secretary of the Corporation (the "Secretary") or her designee is hereby authorized to attest, such instrument. The execution of the Ground Lease by the President or Vice President or their respective designee shall constitute conclusive evidence of the approval thereof. The Corporation also authorizes the execution and delivery of a memorandum with respect to the Ground Lease and the recording thereof in the official Public Records of Broward County, Florida.

SECTION 4. TRUST AGREEMENT. The Trust Agreement, substantially in the form submitted at this meeting and attached hereto as Exhibit B, is hereby approved, with such insertions, modifications and changes as are necessary and appropriate to further evidence the details of the lease-purchase and financing of Project, consistent with the Parameters, and approved by the President or the Vice President, in consultation with the City Attorney and the City's Special Counsel. Upon such approval, either of the President or the Vice President, or their respective designee, is hereby authorized and directed to execute, and the Secretary is authorized to attest, such instrument. The execution of the Trust Agreement by the President or Vice President or their respective designee shall constitute conclusive approval thereof. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to serve as the Trustee under the Trust Agreement and other financing documents pertaining to the Certificates.

SECTION 5. LEASE PURCHASE AGREEMENT AND LEASE SCHEDULE. The Lease Purchase Agreement and Lease Schedule, each substantially in the form submitted at this meeting and attached hereto as Exhibit C, are hereby approved, with such insertions, modifications and changes as are as necessary and appropriate to further evidence the details of the lease-purchase and financing of Project, consistent with the Parameters, and approved by the President or Vice President, in consultation with the City Attorney and the City's Special Counsel. Upon such approval, either of the President or the Vice President, or their respective designee, is hereby authorized and directed to execute, and the Secretary is hereby authorized to attest such instruments. The execution of the Lease Purchase Agreement and Lease Schedule by the President or Vice President or their respective designee shall constitute conclusive evidence of the approval thereof. The Corporation also authorizes the execution and delivery of a memorandum with respect to the Lease and the recording thereof in the official Public Records of Broward County, Florida.

SECTION 6. ASSIGNMENT AGREEMENT. The Assignment of Leases between the Corporation and the Trustee (the "Assignment Agreement"), substantially in the form submitted at this meeting and attached hereto as Exhibit D, is hereby approved, with such insertions, modifications and changes as are necessary and appropriate to further evidence the details of the lease-purchase and financing of Project, consistent with the Parameters, and approved by the President or Vice President, in consultation with the City Attorney and the City's Special Counsel. Upon such approval, either of the President or the Vice President, or their respective designee, is hereby authorized and directed to execute, and the Secretary is hereby authorized to attest such instrument. The execution of the Assignment Agreement by the President or Vice President shall constitute conclusive evidence thereof.

SECTION 7. CERTIFICATE PURCHASE AGREEMENT. The Series 2015 Certificates shall be sold to the Underwriter upon the terms and conditions set forth in the Certificate

Purchase Agreement. The Certificate Purchase Agreement, substantially in the form annexed hereto as Exhibit E, is hereby approved, with such insertions, deletions, modifications and changes as are necessary and appropriate to further evidence the details of the lease-purchase and financing of Project, consistent with the Parameters, and approved by the President or Vice President, in consultation with the City Attorney, the City's Financial Advisor and the City's Special Counsel, and, upon such approval, either of the President or Vice President, or their respective designee, is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest, such instrument and accept the disclosure and truth-in-bonding statement to be provided by the Underwriter pursuant to Section 218.385, Florida Statutes; provided, however, such Certificate Purchase Agreement shall be subject to the following parameters (collectively, the "Parameters"): (i) the aggregate principal amount of the Series 2015 Certificates shall not exceed $24,000,000, (ii) the final maturity of the Series 2015 Certificates shall not be later than January 1, 2046; (iii) the true interest rate per annum on the Series 2015 Certificates shall not exceed 5.50%; (iv) the Series 2015 Certificates shall be subject to optional redemption not later than approximately ten years from their date of issuance at a redemption price of par; and (v) the price (exclusive of original issue discount) at which the Series 2015 Certificates shall be sold to the Underwriter shall not be less than 98% of the amount for which the Series 2015 Certificates are initially offered to the public as reflected in the final Offering Statement referred to in Section 8 hereof. The execution and delivery of the Certificate Purchase Agreement as aforesaid shall constitute conclusive evidence of the approval thereof.

SECTION 8. PRELIMINARY OFFERING STATEMENT AND OFFERING STATEMENT. The Preliminary Offering Statement relating to the Series 2015 Certificates in substantially the form submitted at this meeting and attached hereto as Exhibit F (the "Preliminary Offering Statement"), is hereby approved with respect to the information therein contained, with such insertions, deletions, modifications and changes as are necessary and appropriate to further evidence the details of the lease-purchase and financing of Project, consistent with the Parameters, and approved by the President or Vice President, in consultation with the City Attorney and the City's Special Counsel and Disclosure Counsel. The distribution and use of the Preliminary Offering Statement in connection with the public offering for sale of the Series 2015 Certificates is hereby authorized. The execution by the President or Vice President or their respective designee of a certificate deeming the Preliminary Offering Statement final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 is hereby authorized. Either of the President or the Vice President, or their respective designee, is hereby authorized to execute, and the Secretary is hereby authorized to attest, a final Offering Statement to be dated the date of the sale of the Series 2015 Certificates to the Underwriter (the "Offering Statement"), and, upon such execution, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2015 Certificates. The Offering Statement shall contain such information as necessary to confirm the details of the Series 2015 Certificates. The execution and delivery of the Offering Statement by the President or Vice President or their respective designee shall constitute conclusive evidence of the approval thereof. The Corporation hereby authorizes the Offering Statement and the information contained therein to be used in connection with the offering and sale of the Series 2015 Certificates.

SECTION 9. INSURANCE MATTERS. If it is determined by the City Manager, in consultation with the City's Financial Advisor, that obtaining a municipal bond insurance policy with respect to all or a portion of the Series 2015 Certificates will provide a lower interest cost on the

Series 2015 Certificates than if the Series 2015 Certificates are not insured, obtaining such municipal bond insurance policy is hereby authorized and approved. If it is determined by the City Manager, in consultation with the City's Financial Advisor, that it is necessary in order to market the Series 2015 Certificates to fund the Reserve Account for the Series 2015 Certificates, obtaining a Reserve Account Surety Bond to fund the Reserve Account, in whole or in part, is hereby authorized and approved. If required, either of the President or the Vice President, or their respective designee, is hereby authorized to execute, and the Secretary is hereby authorized to attest, in consultation with the City Attorney, the City's Financial Advisor and the City's Special Counsel, any agreements with the provider of such municipal bond insurance policy and/or Reserve Account Surety Bond necessary to set forth the requirements of such provider.

SECTION 10. CONTINUING DISCLOSURE. The Continuing Disclosure Certificate to be executed by the City at the time of issuance of the Series 2015 Certificates (the "Continuing Disclosure Certificate"), substantially in the form attached as Exhibit G, is hereby authorized and approved, with such insertions, modifications and deletions as are necessary and appropriate to further evidence the details of the lease-purchase and financing of Project, consistent with the Parameters, and approved by the President or Vice President, in consultation with the City Attorney and the City's Special Counsel. Either of the President or Vice President, or their respective designee, is hereby authorized to execute, and the Secretary is hereby authorized to attest, the Continuing Disclosure Certificate, if requested to do so by the City. The execution and delivery of the Continuing Disclosure Certificate by the President or the Vice President or their respective designee shall constitute conclusive evidence of the approval thereof.

SECTION 11. GENERAL AUTHORITY. The President, Vice-President, Secretary, Treasurer, and any other proper officers of the Corporation are hereby authorized to do all acts and things required of them by this ordinance, the Ground Lease, the Lease, the Trust Agreement, the Assignment Agreement, the Certificate Purchase Agreement, the Offering Statement, and the Series 2015 Certificates, or that may otherwise be desirable or consistent with accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing and each member, employee, attorney and officer of the Corporation is hereby authorized and directed to execute and deliver any and all papers and instruments and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

SECTION 12. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

SECTION 13. EFFECTIVE DATE. This Resolution shall be effective as the date of its passage and enactment.

PASSED AND ADOPTED on this 14th day of April, 2015.

The undersigned duly appointed, qualified and acting Secretary of the Pompano Beach Finance Corporation., a not-for-profit corporation organized and existing under the laws of the State of Florida, does hereby certify that the foregoing is a true and correct copy of Resolution No. ____ of the Corporation adopted on April 14, 2015.

IN WITNESS WHEREOF, I have set my hand and affixed the corporate seal of the Corporation this ___ day of _____, 2015.

_____
Asceleta Hammond, Secretary

STATE OF FLORIDA)
) SS
COUNTY OF BROWARD)

We, the undersigned members of the Board of Directors of the Pompano Beach Finance Corporation recognizing that the purchasers and subsequent owners of the Taxable Certificates of Participation (Parking Garage Project), Series 2015 referred to in the foregoing Resolution, will have accepted such Certificates of Participation in reliance upon this certificate, do hereby certify, individually and collectively, that no two or more of us, meeting together in any meeting which was not open to the public or of which the public did not have notice, reached any prior conclusion as to whether the action taken by said Resolution or any part thereof should or should not be taken by said Board of Directors or should be recommended as an action to be taken or not to be taken by said Board of Directors:

WITNESS our Official Signatures:

_____
Director

_____
Director

_____
Director

_____
Director

_____
Director

_____
Director

The foregoing instrument was acknowledged before me this 14th day of April, 2015, by above-noted Directors of the Pompano Beach Finance Corporation.

[SEAL] _____

Personally Known ___
or Produced Identification ___
Type of Identification Produced ___

FTL:2178529:3

EXHIBIT A

FORM OF GROUND LEASE

Draft 3/13/15

GROUND LEASE AGREEMENT

Between

CITY OF POMPANO BEACH, FLORIDA
as Lessor

AND

POMPANO BEACH FINANCE CORPORATION,
as Lessee

Dated as of May 1, 2015

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EXHIBIT A-1 DESCRIPTION OF THE PARKING GARAGE LAND A-1

EXHIBIT A-2 DESCRIPTION OF THE LAND, EXCLUDING THE PARKING GARAGE LAND A-1

GROUND LEASE AGREEMENT

This **GROUND LEASE AGREEMENT** is dated as of May 1, 2015 (this "Ground Lease") and is entered into between the **CITY OF POMPANO BEACH, FLORIDA**, a municipal corporation of the State of Florida, as lessor (the "City") and **POMPANO BEACH FINANCE CORPORATION,** a not-for-profit corporation organized and existing under and pursuant to Chapter 617, Florida Statutes, as amended, as lessee (the "Corporation"). All capitalized terms used herein and not otherwise defined herein will have the meaning set forth in the Trust Agreement (hereinafter defined).

W I T N E S S E T H:

WHEREAS, the City and the Corporation, respectively, are authorized to enter into this Ground Lease and said Lease Agreement pursuant to the Act and other applicable law and, in the case of the Corporation, the Corporation Resolution; and

WHEREAS, the City is the owner of certain real property located in the City and described in Exhibit A attached hereto (which real property, together with all buildings, structures and improvements now or hereafter erected or situated thereon, any easements or other rights or privileges in adjoining property inuring to the fee simple owner of such land by reason of ownership of such land, and all fixtures, additions or alterations thereto, or replacements thereof, now or hereafter located in, on or used in connection with or attached or made to such land to the extent title thereto may vest in the City is hereinafter referred to as the "Land"); and

WHEREAS, the City desires to lease-purchase and finance all or a portion of the costs of the acquisition, construction, installation, and equipping of a new parking garage (as more fully defined in the hereinafter defined Lease, the "Parking Garage") and appurtenant facilities and related improvements, as more fully described in the Lease, to be located on the Land (collectively, the "Project"); and

WHEREAS, the portion of the Land on which the Parking Garage included in the Project will be constructed is legally described on Exhibit A-1 hereto (the "Parking Garage Land") and the portion of the Land on which the balance of the Project will be constructed or otherwise implemented is legally described on Exhibit A-2 hereto; and

WHEREAS, in order to facilitate the Project, the City and the Corporation will contemporaneously herewith enter into a Lease-Purchase Agreement dated as of May 1, 2015 (as the same may be amended or supplemented from time to time, the "Lease Agreement") and a Lease Schedule to the Lease Agreement, which Lease Schedule, together with the terms and provisions of the Lease Agreement, constitutes a lease (as the same may be amended or supplemented from time to time, the "Lease") of the Land and the Project; and

WHEREAS, the performance and obligations of the City hereunder and under the Lease are contingent upon an annual appropriation by the City; and

WHEREAS, provisions for the payment of the cost of acquiring, constructing and installing the Project has been made by (a) establishing a trust pursuant to the Trust Agreement dated as of May 1, 2015 (as the same may be further amended or supplemented from time to time, the "Trust Agreement") among the City, the Corporation and The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") and assigning to the Trustee without recourse all of the Corporation's right, title and interest in and to this Ground Lease, the Lease and the Lease Payments (except for the Corporation's rights to indemnification and certain other rights described therein, collectively, the "Retained Rights") pursuant to the Assignment of Leases dated as of May 1, 2015 (as the same may be amended or supplemented from time to time, the "Assignment Agreement), (b) directing the Trustee to execute and deliver certificates of participation (the "Certificates") evidencing undivided proportionate interests of the owners thereof in Basic Rent Payments to be made by the City, as lessee, pursuant to the Lease, and (c) depositing the proceeds of the Certificates with the Trustee and directing the Trustee to hold the proceeds of sale of the Certificates in trust subject to application to pay the costs of acquisition, construction, installation and equipping of the Project and related costs; and

WHEREAS, contemporaneously herewith, Certificates in the aggregate principal amount of $_____ designated as Taxable Certificates of Participation (Parking Garage Project), Series 2015 (the "Series 2015 Certificates") will be issued pursuant to the Trust Agreement; and

WHEREAS, the City has represented in the Lease Agreement that it intends for the Lease to remain in full force and effect until the last Lease Payment Date set forth in the Lease Schedule, unless sooner terminated in accordance with the terms provided therein; and

WHEREAS, the City intends for this Ground Lease to remain in full force and effect until the termination of the Ground Lease Term (as defined herein);

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto mutually agree as follows:

SECTION 1. LEASE OF LAND.

(a) Subject to Permitted Encumbrances, the City hereby demises and leases the Land to the Corporation, and the Corporation hereby takes and leases the Land from the City, for the term, at the rental and on the conditions herein set forth.

(b) The City hereby warrants that (i) the City owns the Land described on Exhibit A-1 and Exhibit A-2 hereto in fee simple title and has good, marketable and insurable title to the fee estate in the Land free from any liens or encumbrances, except the Permitted Encumbrances; (ii) all consents to or approvals of this Ground Lease required by law or by any agreements or indentures binding upon the City have been provided in recordable form and will be recorded with the Memorandum of Lease referred to in Section 23 hereof; (iii) the City has the right to lease the Land to the Corporation pursuant to the terms hereof; (iv) this Ground Lease complies with all the requirements and restrictions of record applicable to the Land; and (v) the City

intends for this Ground Lease to remain in full force and effect until the termination of the Maximum Lease Term of the Lease.

SECTION 2. LEASE TERM; OPTION TO RENEW. The initial lease term of this Ground Lease for the Land shall commence on the date of the delivery of this Ground Lease (the "Commencement Date") and shall end on January 1, 20___ (the "Initial Ground Lease Term"). If there shall have occurred an Event of Default or Event of Non-Appropriation under the Lease and any Certificates remain Outstanding at the end of the Initial Ground Lease Term, then the term of this Ground Lease shall be automatically renewed for an additional term of ten (10) years through January 1, 20___, at a fair market rental to be determined, adjusted and paid in the manner set forth in Section 3 of this Ground Lease. The period during which this Ground Lease is maintained in effect in accordance herewith is herein referred to as the "Ground Lease Term." Neither an Event of Default nor an Event of Non-Appropriation under the Lease shall operate to terminate this Ground Lease.

Notwithstanding the foregoing, the Ground Lease Term may be terminated by the City on any date prior to the end of the Initial Ground Lease Term or any renewal hereof, upon not less than ten (10) days prior written notice to the Corporation, (a) upon prepayment of the Certificates pursuant to Section 4.06 of the Lease Agreement and full performance and satisfaction of the City's obligations under the Lease and no Certificates are outstanding, or (b) upon the provision for payment of all Lease Payments under the Lease pursuant to Section 4.06 of the Lease Agreement and no Certificates are Outstanding, together in each case with payment of the sum of One Dollar ($1.00) or (c) upon such other date following termination of the Lease as a result of Event of Default or Event of Non-Appropriation that the Trustee has, through application of sums received from the use of the Land as permitted in Section 5 hereof, fully paid all Certificates theretofore Outstanding and all other amounts due and owing under the Lease. This Ground Lease shall likewise be modified at the request of the City at any time, without the consent of the Trustee or the holders of the Series 2015 Certificates or Insurer, if any, upon similar notice and modification of the Lease (i) to reflect the addition to and modification of the Land, including to more accurately reflect the legal descriptions thereof attached hereto upon the Completion Date of the Project, (ii) to reflect the substitution of all or a portion of the Project in accordance with the Lease Agreement, or (iii) upon extraordinary mandatory prepayment of a portion of the Certificates pursuant to Section 5.08 of the Lease Agreement, to reflect the release of one or more portions of the Land from this Ground Lease.

SECTION 3. RENT.

(a) So long as no Event of Default or Event of Non-Appropriation shall have occurred under the Lease, the Corporation shall pay to the City as rental for the Land the sum of One Dollar ($1.00) per annum, which sum shall be due in advance on the Commencement Date (pro rated) and annually thereafter on the first day of each renewal Lease Term (the "Ground Rent"). At the option of the Corporation, the Corporation may prepay all or a portion of the Ground Rent payable hereunder for the entire Initial Ground Lease Term hereof from the proceeds of sale of the Series 2015 Certificates or otherwise.

(b) From and after the date of occurrence of an Event of Default or Event of Non-Appropriation under the Lease, the Trustee shall pay as and for rental for the Land an amount equal to the fair market rental for the Land. The fair market rental shall be deemed to be the greater of one dollar ($1.00) per annum or the difference between (i) the amount actually received from any re-leasing of the Parking Garage Land for a given period and (ii) the amounts due and payable as Basic Rent Payments and Supplemental Rent for the Maximum Lease Term not theretofore paid by or for the account of the City. In the event the City disagrees with such valuation, it may submit the matter to binding arbitration, and the fair rental value shall be determined pursuant to such arbitration proceedings. The fair market rental due in any year shall be due in arrears on October 1 and shall be payable for a year only to the extent that the monies received by the Trustee from the exercise of the remedies permitted under the Lease during the preceding twelve months prior to such October 1 exceeded the principal and interest portion of Basic Rent Payments that would have been payable under the Lease for such preceding twelve months and other amounts described in Section 8.04 of the Trust Agreement; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (iii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future year to the extent that monies received in such year from the exercise of the remedies permitted by the Lease exceed the principal and interest portion of Basic Rent Payments that would have been payable under the Lease and other amounts described in Section 504 of the Trust Agreement and the fair market rental due in such years.

The failure to pay any portion of the fair market rental in any year due to insufficiencies of monies realized from the exercise of the remedies permitted under the Lease shall not give rise to any obligation to pay interest on such unpaid fair market rental and shall not constitute a default under this Ground Lease by the Corporation or the Trustee.

SECTION 4. TITLE TO THE LAND; POSSESSION.

(a) Upon the Commencement Date and throughout the Ground Lease Term, fee title to the Land shall be in the name of the City, subject to Permitted Encumbrances, title to all Equipment, furniture and fixtures on the Land shall at all times remain with the City and title to the Project constructed on the Land shall be with the Corporation and remain therein until the earlier of (i) the date on which Certificates are no longer Outstanding under the Trust Agreement, and (ii) the end of the term of this Ground Lease.

(b) The Corporation shall at all times during the Ground Lease Term have a valid and enforceable leasehold estate in the Land with full right to vest the use, enjoyment and possession of such leasehold estate therein in the Trustee and the Trustee shall have the right to vest such estate in a Permitted Transferee (hereinafter defined).

(c) Possession and use of the Land, together with all improvements thereon, shall, upon the last day of the Ground Lease Term automatically revert to the City free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of the Ground Lease Term, the Corporation shall peaceably and quietly surrender to the City the Land together with any improvements located in or upon the Land. Upon such surrender of the Land, the Corporation, at

the reasonable request of the City, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the City all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Land in the possession of the Corporation.

(d) Any personal property of the Corporation or any Person which shall remain on the Land after expiration or earlier termination of the Ground Lease Term and for thirty (30) days after request by the City for removal, shall, at the option of the City, be deemed to have been abandoned and may be retained by the City and the same may be disposed of, without accountability, in such manner as the City may see fit. The foregoing shall not apply to vending machines or other commercial equipment or trade fixtures located in or about the Land to the extent that such Equipment is readily removable from the Land without causing material harm or damage thereto and to the extent that such Equipment is not owned by the City or the Corporation.

(e) If the Corporation holds over or refuses to surrender possession of the Land after expiration or earlier termination of this Ground Lease, the Corporation shall be a tenant at sufferance and shall pay rent equal to twice the fair market rental of the Land determined in the manner provided in Section 3(b) hereof.

SECTION 5. USE OF LAND; ASSIGNMENTS, SUBLEASES AND MORTGAGES.

(a) The parties agree that unless there shall have occurred an Event of Default or an Event of Non-Appropriation under the Lease, the Land shall be used solely for municipal purposes and shall not be used for a purpose that would subject the interest component of the Certificates (other than Taxable Certificates) to be included in gross income for Federal income tax purposes; provided, however, during the Ground Lease Term, the Parking Garage Land and the Parking Garage must always be used as a public parking garage for the benefit to the public at large and the portion of the Land developed as Roadways (together with related utility and drainage lines, [signalization] and landscaping) and parking spaces must always be used as public roads and public parking spaces, as applicable. Unless there shall have occurred an Event of Default or Event of Non-Appropriation under the Lease, no assignment of this Ground Lease or mortgage or subletting of the Land may be made except as provided in the Assignment Agreement, the Lease, the Trust Agreement, in any agreement with an Insurer, if any, and herein. In the event that there shall have occurred an Event of Default or Event of Non-Appropriation under the Lease, then the Corporation's interest in the Parking Garage Land subject to this Ground Lease may, without consent of the City, be assigned, mortgaged or sublet by the Trustee to any third party, including any Insurer (a "Permitted Transferee"), who may alter, modify, add to or delete from the Parking Garage existing from time to time on the Parking Garage Land, subject to the requirements of the first sentence of this Section 5(a); provided, however, the fee title to the Parking Garage Land shall not be encumbered by, or subject to, any leasehold mortgage of the Corporation's interest herein, and any assignment or sublease shall not relieve the Corporation of any of its duties or obligations hereunder without the City's prior written consent. After the termination of the Lease Term of the Lease, unless the Ground Lease Term shall have terminated, if the Trustee proposes to assign, sublet or mortgage any portion of the

Corporation's interest in the Parking Garage Land subject to this Ground Lease, the Trustee shall provide written notice to the City containing the names and addresses of the assignee(s), sublessee(s) or mortgagee(s); provided, however, that failure to provide such notice shall not affect the validity or effectiveness of an assignment, sublease or leasehold mortgage to a Permitted Transferee. The portion of the Land on which the portion of the Project consisting of the Roadways, together with related utility lines and drainage improvements, [signalization] and landscaping and parking spaces on the Roadways, is located shall not be subject to surrender upon an Event of Non-Appropriation of an Event of Default under the Lease.

(b) The City represents that the Land is presently zoned to allow government use, or such zoning may be obtained in the ordinary course, and that the City shall take no action with respect to zoning or other land use regulation applicable to the Land except as directed by the Corporation. The City shall do everything in its power to assist the Corporation in obtaining such building permits, subdivision approvals, or zoning changes or variances as the Corporation may deem necessary or desirable or such other permits, licenses, approvals or other actions which the Corporation deems necessary or desirable in order to enable the Corporation to use the Land for such purposes as the Corporation shall determine, provided, however, that the Corporation shall not use or permit the Land to be used in violation of any valid present or future laws, ordinances, rules or regulations of any public or governmental authority at any time applicable thereto.

(c) It is understood that all right, title and interest of the Corporation in and to this Ground Lease (except for the Retained Rights) is to be assigned without recourse by the Corporation to the Trustee pursuant to the Assignment Agreement. The City agrees that upon such assignment the Trustee shall have all of the rights of the Corporation hereunder assigned to the Trustee, notwithstanding any claim, defense, setoff, or counterclaim whatsoever (whether arising from a breach of this Ground Lease or otherwise) that the City may from time to time have against the Corporation or any person or entity associated or affiliated therewith. The City acknowledges that the Trustee is acting on behalf of the Certificate Holders, and may, under certain circumstances described above assign this Ground Lease to a Permitted Transferee. It is also understood that all action hereunder which requires or permits the consent, notice, direction or request of the Corporation or the Trustee, may also require or permit the consent, notice, direction or request of each Insurer, if any, with whom the Corporation or Trustee may so agree.

(d) Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating to this Ground Lease or any of the transactions contemplated hereby, the parties hereto acknowledge and agree that upon the assignment by the Corporation of its rights hereunder (except for the Retained Rights) to the Trustee pursuant to the Assignment Agreement, the Corporation shall have no further obligation, liability or responsibility hereunder and no party hereto nor its successors or assigns shall look to the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed.

SECTION 6. RIGHT OF ENTRY. Unless there shall have occurred an Event of Default or Event of Non-Appropriation under the Lease, the City shall have the right for any of

its duly authorized representatives to enter upon the Land at any reasonable time to inspect the same or to make any repairs, improvements, or changes necessary for the preservation thereof.

SECTION 7. DEFAULT.

(a) In the event the Corporation shall breach any representation, warranty or covenant herein or otherwise be in default in the performance of any obligation on its part to be performed under the terms of this Lease, which default continues for sixty (60) days following notice and demand for correction thereof to the Corporation, the City may exercise any and all remedies granted by law; provided, however, that so long as any Certificates are outstanding and except as provided in Section 2 herein, this Ground Lease shall not be terminated. The City shall have recourse solely against the leasehold estate of the Corporation in the Land, and any proceeds thereof, for the payment of any liabilities of the Corporation hereunder. The rights of the City under this Section 7 shall be subordinate in all respects to the rights of the holders of the Certificates under the Trust Agreement.

(b) In the event that any default hereunder is of such a nature that it cannot be remedied within the time limits hereinabove set forth, then the Corporation shall have such additional time as is reasonably necessary to cure such default, provided the Corporation diligently commences the curing of such default within said time limits and proceeds to completely cure the same in a timely and diligent manner.

(c) In the event that any Permitted Transferee exists of record at the time that a default occurs hereunder, the City shall give written notice thereof to each such Permitted Transferee and each such Person shall have thirty (30) additional days from receipt of such notice to cure such default; provided, however, that if the default is of such a nature that the same cannot be cured in such time, then such Person shall have such additional time as is reasonably necessary to cure such default provided that such Person diligently commences the curing of such default within such time and proceeds to completely cure same within a timely and diligent manner.

SECTION 8. QUIET ENJOYMENT. The Corporation and any Permitted Transferee at all times during the Ground Lease Term shall peacefully and quietly have, hold and enjoy the Land or applicable portion thereof, without hindrance or molestation subject to the provisions hereof and of the Lease, the Assignment Agreement and the Trust Agreement.

SECTION 9. LIENS.

(a) Neither the City nor the Corporation shall, directly or indirectly, create, incur, assume or suffer to exist any lien or encumbrance on or with respect to such Land, other than Permitted Encumbrances, unless there shall have occurred an Event of Default or Event of Non-Appropriation under the Lease, in which case the Corporation may enter into the transactions permitted in Section 5 hereof. The City shall reimburse the Corporation for any expense incurred by the Corporation in order to discharge or remove any such Lien or Encumbrance caused by the City.

(b) It is mutually intended, stipulated and agreed that except as permitted in Section 5 hereof, neither the fee simple title to nor any interest of the City or City in the Land may be subject to liens or encumbrances of any nature arising by reason of any act or omission of Corporation or any person claiming under, by or through Corporation, including, but not limited to, mechanics' and materialman's liens. All persons dealing with the Corporation are hereby placed on notice that, except as to the Project or as otherwise permitted in a mortgage, assignment or sublease hereunder, any improvements constructed upon the Land are the leasehold property of Corporation and are constructed for the Corporation's use and benefit, and that, in any case, they should not look to the City or to the City's credit or assets for payment or satisfaction of any obligations incurred therefor. Corporation has no power, right or authority to subject the fee simple interest or any interest of the City in the Land or the Project to any mechanics' or materialmen's lien or claim of lien.

(c) In the event a lien, claim of lien or order for the payment of money shall be imposed against the Land or the Project thereon resulting from or arising out of any act or omission of Corporation or any person claiming under, by or through Corporation, such lien shall be limited to the leasehold interest of Corporation hereunder.

SECTION 10. CONDITION, UTILITIES, CONCEALED CONDITIONS.

(a) Subject to the provisions of this Section 10, the Corporation agrees to accept the Land in its presently existing condition or condition upon acquisition thereof, "as is."

(b) It is understood and agreed that the City has determined that the Land will safely or adequately support the Project to be constructed thereon, and hereby certifies same to Corporation.

(c) The City, at its sole expense, shall bring or cause to be brought to the Land adequate connections for water, electrical power, telephone, storm sewerage and sewerage, and shall arrange with the appropriate utility companies for furnishing such services and shall provide to the Land water service and capacity sufficient for the contemplated operation of the Project thereon, including, but not limited to, heating, ventilation and air conditioning equipment. Either the City or the Corporation shall have the right, at its own expense, to request and receive telephone and communication services from the utility companies furnishing such services subject to the customary rules and regulations of said utility companies whether the companies deliver such services directly through their own conduits or pipes, or through conduits and pipes owned by the City. The City agrees to grant such utility companies rights of access over, under and across the remaining property of the City adjoining the Land, if any, as shall be necessary and convenient for the efficient operation of the Land, and which do not materially impair the present and future uses of such remaining property of the City, if any. After the end of the Lease Term of the Lease, unless the Ground Lease Term shall have terminated, any additional construction or extension of such facilities shall be made without cost to the City.

(d) Drains or other facilities provided by the City for the purpose of disposing of storm or other waters shall conform to the requirements of applicable governmental authorities.

(e) The Corporation does not accept responsibility for nor assume the risk of concealed conditions below the surface of the ground encountered in the performance of any construction activity nor unknown physical conditions above or below the surface of the ground differing materially from those ordinarily encountered and generally recognized as inherent in construction of the character contemplated by this Ground Lease.

SECTION 11. UTILITY EASEMENTS. During the Lease Term of the Lease, the City reserves the right to grant nonexclusive utility easements, licenses, rights-of-way and other rights or privileges in the nature of easements to others over, under, through, across or on the Land but only to the extent reasonably necessary to provide services to the Land; provided, however, that such grant and any use permitted thereby may not be detrimental to the use or operation of the Land or to any other uses permitted hereunder after the lease term of the Lease, will not impose any cost upon the Corporation, and will not weaken, diminish or impair lateral or subjacent support to the Land and the Project, and the grantee thereunder shall agree in the instrument granting the easement to indemnify and save harmless the Corporation, Trustee and any Permitted Transferee (whether the interest of such party in the Land arises prior or subsequent to such grants) against any loss, claim, liability or damages, including attorneys' fees arising or accruing from the use or exercise of such easement. In the event that the Lease Term of the Lease expires before the expiration of the Ground Lease Term, the City agrees to execute such non-exclusive utility easements, licenses, rights-of-way and other rights or privileges in the nature of easements to others over, under, through, or across or on the Land but only to the extent reasonably necessary to provide services to the Land and the Project.

SECTION 12. TAXES AND FEES.

(a) The City represents and warrants that under current laws so long as the Lease is in effect (including renewals) the Land and the Project and this Ground Lease is and will be exempt from ad valorem and intangible taxation and sales tax. However, so long as the Lease is in effect (including renewals) should the Land or any interest therein ever become subject to any such taxes, the City agrees to pay, but solely from monies lawfully appropriated for such purpose, any and all such lawful taxes, assessments or charges which at any time may be levied by any federal, state, county, city, or any tax or assessment levying body upon the Land or any interest in this Ground Lease, or any possessory right which the Corporation may have in or to the Land by reason of its use or occupancy thereof or otherwise.

(b) Notwithstanding the foregoing provision, either the City or the Corporation shall, after notifying the other party hereto of its intention to do so, have the right in its own name or behalf, or in the name and behalf of the other party hereto, to contest in good faith by all appropriate proceedings the amount, applicability or validity of any such tax or assessment, and in connection with such contest, the City may refrain from paying such tax or assessment. Each party shall, upon request by the other party hereto, assist and cooperate with the other party hereto in any such proceedings. If the City or the Corporation desires to contest such tax or assessment, it must first post bond satisfactory to the other party hereto against forfeiture or loss of any portion of the Land.

(c) In the event that the City shall fail to pay any of the items required under this Section 12, the Corporation may, at its sole option, pay the same and any amounts so advanced therefor by it shall become an additional obligation of the City, which amounts the City agrees to pay to the Corporation promptly upon demand with interest thereon at the Overdue Rate but solely out of monies lawfully appropriated for such purpose.

SECTION 13. CONDEMNATION. In the event that any Person, public or private, shall by virtue of eminent domain or condemnation proceedings, or by purchase in lieu thereof, at any time during the Ground Lease Term acquire title to all or any portion of the Land:

(a) So long as the Lease is in effect, the Net Proceeds resulting therefrom shall be applied pursuant to the Lease Agreement.

(b) After the end of the Lease Term of the Lease: (i) if such person acquires title to such a substantial portion of the Land that the Corporation determines that it cannot economically make use of the residue thereof for the lawful purposes intended or permitted by this Ground Lease, such acquisition of title or payment of such claim shall terminate the Ground Lease Term, effective as of the date on which the condemning party takes possession thereof or on the date of payment of such claim, as applicable, and the Net Proceeds resulting therefrom shall be applied first to payment of the amount secured by any leasehold mortgage then outstanding hereunder, and, second, the balance, if any, shall be paid to the City and the Corporation, as their respective interests may appear; and (ii) if such person acquires title to a portion of the Land such that the Corporation determines that it can economically make beneficial use of the residue thereof for the purposes intended by this Ground Lease, then this Ground Lease shall continue in full force and effect and the Net Proceeds resulting therefrom shall be paid to the City and the Corporation, as their respective interests appear; provided, however, that to the extent permitted by applicable law, the amount of Net Proceeds up to an amount equal to the remaining Principal Component at such time for the component of the Project affected by the proceedings plus all other amounts then due and owing under the Lease or the Trust Agreement shall be paid over to the Trustee and the balance of such Net Proceeds shall be for the benefit of the City.

(c) Any taking of any portion of the Land or the Project shall be deemed substantial hereunder.

(d) It is understood that the foregoing provisions of this Section 13 shall not in any way restrict the right of the City or the Corporation to appeal the award made by any court or other public agency in any condemnation proceeding.

SECTION 14. ESTOPPEL CERTIFICATES. The City, at any time and from time to time, upon not less than thirty (30) days prior written notice from the Corporation, will execute, acknowledge and deliver to the Corporation and any leasehold mortgagee, or to whomsoever they or any of them may direct, a certificate of the City certifying that this Ground Lease is unmodified (or, if there have been any modifications, identifying the same), that this Ground Lease is in full force and effect, if it is; and that there is no default hereunder (or, if so, specifying the default). It is intended that any such certificate may be relied upon by any Person.

SECTION 15. ENVIRONMENTAL MATTERS. The Corporation hereby represents, warrants and covenants to and for the benefit of the City and the Trustee that following an Event of Default or Event of Non-Appropriation under the Lease and during the Ground Lease Term:

(i) the location, construction, occupancy, operation, condition and use of any improvements to the Land, including the Project, will not violate any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority, or any restrictive covenant or deed restriction (recorded or otherwise) affecting same, including without limitation all applicable zoning ordinances and building codes, flood disaster, occupational health and safety laws and applicable Environmental Laws;

(ii) without limitation of clause (i) immediately above, it will not take any action or refrain from taking any action that would cause such improvements or the Corporation to be in violation of or subject to any existing, pending or threatened investigation, request for information, administrative or consent order or agreement, litigation or settlement by any governmental authority or subject to any investigatory or remedial obligations under any applicable Environmental Laws or the common law with respect to the presence or suspected presence of Hazardous Materials Contamination;

(iii) it will not take any action or refrain from taking any action that would cause it to be subject to any liability or obligation relating to: (A) the environmental conditions on, under or about the Land and the Project, including without limitation, the air, soil, surface and groundwater conditions; or (B) the use, management, handling, transport, treatment, generation, storage, disposal, release or discharge of any Hazardous Materials;

(iv) it will not do or refrain from doing anything that will require it to obtain or make application for any permits, licenses or similar authorizations to construct, occupy, operate or use, or relating to the existence of the Project by reason of any Environmental Laws;

(v) it will take all steps necessary to determine that no Hazardous Materials will be located on the Land or have escaped or been released into the environment, or deposited, spilled, leaked, discharged, or disposed of at, on, from, under or near such Project or any portion thereof. No portion of such Land or Project will be used by any person at any time for the generation, disposal, storage, treatment, processing or other handling of Hazardous Materials, nor will any part of such Land or Project be affected by any Hazardous Materials Contamination;

(vi) it will cause each of its contractors, tenants and invitees, including any manager of any improvements of the Land, including the Project, to comply in all respects with the requirements of all governmental authorities pursuant to Environmental Laws or the common law. The Corporation shall not cause or permit any Hazardous Materials to be brought upon or kept or used on or about the Land in violation of any Environmental Law or which results in any Hazardous Materials Contamination;

(vii) it agrees to immediately notify the City and the Trustee and to provide the City and the Trustee with copies of any notifications of discharges or releases or threatened releases or discharges of a Hazardous Material on, upon, into, or from the Land which are given or required to be given by or on behalf of the Corporation to any governmental authorities. Such copies of notifications shall be delivered to the City and the Trustee at the same time as they are delivered to the Governmental Authorities. The Corporation further agrees promptly to undertake and diligently pursue to completion any appropriate and legally required or authorized investigation, abatement and remedial containment and cleanup action in the event of any release or discharge, or threatened release or discharge, of a Hazardous Material on, upon, into or from the Land;

(viii) if it shall become aware of or receive notice or other communication concerning any actual, alleged, suspected or threatened violation of Environmental Laws, or liability for any Hazardous Materials Contamination in connection with the Land or past or present activities of any person thereon, or that any representation set forth in this Section 15 is not or is no longer accurate, including but not limited to notice or other communication concerning any actual or threatened investigation, inquiry, lawsuit, notice, order, writ, or injunction, relating to same, then the Corporation shall deliver to the City and its assignees and the Trustee within ten (10) days of the receipt of such notice or communication, a written description of said violation, liability, correcting information, or actual or threatened event or condition, together with copies of any documents evidencing same. Receipt of such notice shall not be deemed to create any obligation on the part of the City and its assignees to defend or otherwise respond to any such notification;

(ix) in the event of any Hazardous Materials Contamination, the Hazardous Materials Contamination shall be immediately remediated by the Corporation and all Hazardous Materials removed from the Land as required by and in accordance with all Environmental Laws and as necessary to safeguard the public health and the environment, at the Corporation's sole cost and expense. In the course of remediating any Hazardous Material Contamination, or in the event the Corporation is required to remove Hazardous Materials from the Land by any governmental authority, such Hazardous Materials shall be handled, removed, used or disposed of in accordance with all Environmental Laws and prudent industry practices regarding management of such Hazardous Materials;

(x) except in strict compliance with all Environmental Laws, the Corporation shall not cause, permit or suffer any Hazardous Material to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Land or any portion thereof by it or by its respective agents, employees, contractors, tenants or invitees, or any other person;

(xi) it shall not cause, permit or suffer the existence or the commission by it or by its respective agents, employees, contractors, tenants or invitees, or by any other person of a violation of any Environmental Laws or Hazardous Materials Contamination upon, about or beneath the Land or any portion thereof; and

(xii) it shall not create, or suffer to exist with respect to the Land, any Lien, security interest or other charge or Encumbrance imposed pursuant to CERCLA or any similar Environmental Law.

In the event that at any time the lessee's interest hereunder shall be mortgaged, subleased or assigned to a Permitted Transferee, such Permitted Transferee shall be required to agree in writing to the provisions of this Section 15 for the benefit of the City and the Trustee.

For purposes of the foregoing, the following terms shall have the meanings ascribed thereto below:

"Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules regulating to environmental quality, health, safety, contamination and clean-up, including without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. Section 136 et seq.; the Marine Protection, Research and Sanctuaries Act, 33 U.S.C. Section 1401, et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seq.; the Noise Control Act, 48 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 4901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act, and Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq.; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; and state lien and super lien and environmental clean-up statutes, with implementing regulations and guidelines. Environmental Laws shall also include all state, regional, county, municipal and other local laws, regulations and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials.

"Hazardous Materials" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste byproduct or constituent regulated under "CERCLA;" oil and petroleum products and natural gas, natural gas liquids, liquified natural gas and synthetic gas usable for fuel; pesticides regulated under "FIFRA;" asbestos and asbestos containing materials, PCBs and other substances regulated under "TSCA;" source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. 1910.1200 et seq. and any other substance regulated under any other "Environmental Law."

"Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of any facility or improvement upon, or air, soil, groundwater, surface water or other elements of the Land or other property as a result of the presence of Hazardous Materials at the Project or on the Land at any time.

SECTION 16. AMENDMENTS. The terms of this Ground Lease shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Trustee and the City and consented to by each Insurer, if any. Copies of amendments shall be provided to the Rating Agencies. Notwithstanding the foregoing, this Ground Lease and the rights and obligations of the City hereunder and of the Corporation and its successors and assigns may also be modified or amended from time to time and at any time by an agreement which the City and the Trustee may enter into but only to the extent not prohibited by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the City, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the obligations of the City hereunder, or to surrender any right or power herein reserved to or conferred upon the City; and

(2) to provide for any additional or alternative procedures, covenants or agreements necessary to maintain the exclusion from gross income for Federal income tax purposes of the interest portion of the Basic Rent Payments relating to Certificates other than Taxable Certificates.

SECTION 17. BINDING EFFECT. This Ground Lease shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns, including without limitation the Trustee.

SECTION 18. NO MERGER OF LEASEHOLD ESTATE. There shall be no merger of this Ground Lease or of the leasehold estate hereby created with the fee estate in the Land by reason of the fact that, through the exercise of remedies hereunder or otherwise, the same person may acquire or hold, directly or indirectly, this Ground Lease or leasehold estate hereby created or any interest herein or therein, and the fee estate in the Land or any interest in such fee estate.

SECTION 19. NOTICES. All notices, certificates, requests or other communications (other than rent payments) hereunder shall be in writing and shall be deemed to have been given or made if delivered personally, sent by commercial carrier or registered or certified mail (postage prepaid, return receipt requested) or transmitted by facsimile to the parties at the following addresses, or to such other address or addresses as shall be designated by the parties in writing:

Corporation: Pompano Beach Finance Corporation
100 West Atlantic Boulevard
Pompano Beach, Florida 33060
Attention: President

City:	City of Pompano Beach, Florida 100 West Atlantic Boulevard Pompano Beach, Florida 33060 Attention: City Manager
Trustee:	The Bank of New York Mellon Trust Company, N.A. 10161 Centurion Parkway Jacksonville, Florida 32256 Attention: Corporate Trust Department

SECTION 20. SEVERABILITY. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. In no event shall the Corporation have any cause of action against the officers or employees of the City, or against any elected official of the City based upon or materially related to any finding by any court that any or all provisions of this instrument violate Florida law.

SECTION 21. APPLICABLE LAW; VENUE. This Ground Lease shall be governed by and construed in accordance with the laws of the State without regard to conflict of law principles. This instrument shall be deemed to have been executed and entered into within the State of Florida and any dispute arising hereunder shall be governed by the laws of the State of Florida with venue in Broward County, Florida.

SECTION 22. EXECUTION IN COUNTERPARTS. This Ground Lease may be executed in several counterparts, each of which together with a counterpart executed by each of the other parties hereto and thereto shall constitute a single original and shall constitute but one and the same instrument.

SECTION 23. MEMORANDUM OF LEASE. Simultaneously with the execution of this Ground Lease, the City and the Corporation shall each execute, acknowledge and deliver in recordable form a Memorandum of Lease with respect to this Ground Lease. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Ground Lease. Upon the amendment of Exhibit A-1 and/or Exhibit A-2 as contemplated hereby or the extension of this Ground Lease as provided in Section 2 above the Memorandum of Lease shall be appropriately amended.

SECTION 24. NO PERSONAL LIABILITY. No covenant or agreement contained in this Ground Lease shall be deemed to be the covenant or agreement of any member of the City, the Trustee or the Corporation or any officer, employee or agent of the City, the Trustee or the Corporation, or of any successor thereto, in an individual capacity, and neither the representatives of the City, the Trustee or the Corporation executing this Ground Lease nor any officer, employee, agent of the City, the Trustee or the Corporation shall be personally liable or accountable by reason of the execution or delivery hereof.

SECTION 25. NONRECOURSE OBLIGATION OF CORPORATION. Notwithstanding anything to the contrary herein or in any exhibit, instrument, document or paper relating hereto or any of the transactions contemplated hereby, the obligations, liabilities and responsibilities of the Corporation for any damages, expenses, fees, charges or claims with respect to the failure of any obligations hereunder to be performed by the Corporation shall be payable solely out of the proceeds derived by the Corporation from the Project (excluding any indemnities, reimbursements, service fees or other Lease Payments) and the Corporation shall have no other or further liability hereunder or arising herefrom.

SECTION 26. FURTHER ASSURANCES. The parties hereto will execute and deliver such further instruments and do such further acts and things as may be reasonably required to carry out the intent and purposes of this Ground Lease.

SECTION 27. NO BROKERS. The City and the Corporation each represents, warrants and covenants for itself that it has not caused nor incurred and will not cause or incur any claims for broker's commissions or finder's fees in connection with the execution of this Ground Lease and, to the extent permitted by applicable law and only from funds legally available for such purpose, indemnifies and holds the other harmless from and against all liabilities arising from any such claims caused or incurred by the City or the Corporation (including, without limitation, reasonable attorneys' fees in connection therewith).

SECTION 28. RADON. Section 404.056, Florida Statutes, requires that the following notification be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

SECTION 29. USE OF THE TERM "CORPORATION." When used herein, all references to the capitalized term "Corporation" shall be deemed to include its successors in interest hereunder, including without limitation, the Trustee as assignee of the Corporation and any Permitted Transferee that succeeds to the estate of the Trustee as its successor hereunder.

SECTION 30. CAPTIONS. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

SECTION 31. DATED DATE. This Ground Lease is dated as of the date set forth above for convenience of reference only. The actual date of execution by each party hereof is set forth below the respective signatures for each party below.

IN WITNESS WHEREOF, the Corporation has caused this Ground Lease to be executed in its corporate name and its corporate seal to be hereunto affixed and attested by its duly authorized officers and the City has caused this Ground Lease to be executed in its name and its seal to be hereunto affixed by its duly authorized representatives, all as of the date first above written.

CITY OF POMPANO BEACH, FLORIDA

[SEAL]

By: _____
Name: _____
Title: _____

ATTEST:

_____
City Clerk

POMPANO BEACH FINANCE CORPORATION

[SEAL]

By: _____
Name: _____
Title: _____

ATTEST:

_____
Secretary

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this ___ day of May, 2015 by _____, [Vice] Mayor of the CITY OF POMPANO BEACH, FLORIDA, a municipal corporation of the State of Florida.

Personally Known _____ OR Produced Identification _____
Type of Identification Produced _____

_____
Notary Public - State of Florida
Commission Stamp:

FTL:2171230:5

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this ___ day of May, 2015 by _____, as [Vice] President of POMPANO BEACH FINANCE CORPORATION, a Florida corporation.

Personally Known _____ OR Produced Identification _____
Type of Identification Produced _____

_____
Notary Public - State of Florida
Commission Stamp:

EXHIBIT A-1

DESCRIPTION OF THE PARKING GARAGE LAND

EXHIBIT A-2

DESCRIPTION OF THE LAND, EXCLUDING THE PARKING GARAGE LAND

EXHIBIT B

FORM OF TRUST AGREEMENT

Draft 3/16/15

TRUST AGREEMENT

by and among

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

and

POMPANO BEACH FINANCE CORPORATION,
as Corporation

and

CITY OF POMPANO BEACH, FLORIDA,
as Lessee

Dated as of May 1, 2015

Securing
Certificates of Participation (Parking Garage Project)
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, As Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

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TRUST AGREEMENT

THIS TRUST AGREEMENT, is made and entered into as of May 1, 2015, by and among **THE BANK OF NEW YORK MELLON TRUST COMPANY,** a national banking association with corporate trust powers qualified to accept trusts of the type herein set forth (the "Trustee"), **POMPANO BEACH FINANCE CORPORATION**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida (the "Corporation") and **THE CITY OF POMPANO BEACH, FLORIDA,** a municipal corporation of the State of Florida (the "City").

W I T N E S S E T H:

WHEREAS, the City and the Corporation deems it in the best interests of the City to enter into (a) a ground lease dated as of May 1, 2015 (the "Ground Lease") from the City to the Corporation as lessee under the Ground Lease with respect to certain land described therein (the "Land"), and (b) that certain Lease-Purchase Agreement, dated as of May 1, 2015 (the "Lease Agreement"), between the Corporation, as lessor, and the City, to lease the Land back to the City and lease-purchase a new parking garage and appurtenant facilities and related improvements (the "Project") to be located on the Land, as described in the Lease Schedule to the Lease Agreement (the "Lease Schedule"); and

WHEREAS, provision for the payment of the cost of financing and refinancing the Project will be made by the issuance and sale of Certificates of Participation issued hereunder (the "Certificates"), which shall be secured by and be payable from the right of the Corporation to receive Basic Rent Payments (as defined herein) to be made by the City pursuant to the Lease Agreement and the Lease Schedule; and

WHEREAS, the Trustee has agreed to deliver the Certificates pursuant to and upon receipt of a Request and Authorization from the Corporation and the City; and

WHEREAS, as of the date hereof, the Corporation will assign to the Trustee, by absolute assignment, all of its right, title and interest in and to the Ground Lease, the Lease Agreement and the Lease Payments (as defined herein), other than its rights of indemnification, its right to enter into amendments to the Lease Schedule from time to time and its obligations under Section 6.03 of the Lease Agreement, pursuant to an assignment agreement, dated as of May 1, 2015 between the Corporation and the Trustee (the "Assignment of Leases"); and

WHEREAS, the proceeds of the sale of the Certificates will be deposited with the Trustee and such funds shall be held and disbursed pursuant to the terms of this Trust Agreement in order to, among other things, fund the acquisition, construction and installation of the Project, all or in part; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.01 DEFINITIONS. The capitalized terms used herein shall have the meanings, for the purpose of this Trust Agreement, ascribed to them in Exhibit A attached hereto unless the context clearly requires some other meaning. The term "Agreement" or "Trust Agreement" as used herein shall mean this Trust Agreement unless the context clearly requires some other meaning.

SECTION 1.02 RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Trust Agreement, refer to this Trust Agreement.

ARTICLE II
RECITALS AND REPRESENTATIONS

SECTION 2.01 LEASE AGREEMENT. The Corporation and the City have entered into (a) the Ground Lease whereby the City leases the Land to the Corporation and (b) the Lease Agreement and the Lease Schedule, whereby the City leases back the Land and the Project from the Corporation and agrees to make Lease Payments therefor in accordance with the terms thereof.

SECTION 2.02 LEASE AGREEMENT AND LEASE SCHEDULE. The Corporation has absolutely assigned and transferred to the Trustee all its rights, title and interest under the Ground Lease and the Lease Agreement, other than (i) its rights of indemnification thereunder, (ii) its right to enter into amendments of the Ground Lease, the Lease Agreement and the Lease Schedule from time to time, pursuant to the terms and provisions of the Assignment of Leases and (iii) its obligations under Section 6.03 of the Lease Agreement, including Section 6.03 thereof, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee has agreed herein to authenticate and deliver the Certificates evidencing an interest in the Basic Rent Payments, as set forth in such Certificates.

SECTION 2.03 REPRESENTATIONS. In the Lease Agreement, the Corporation and the City have agreed that the City, as agent of the Corporation, shall be responsible for the acquisition, construction and installation of the Project pursuant to the specifications of the City, and the City will be responsible for the letting of contracts and agreements for the acquisition, construction and installation of the Project and for supervising the acquisition, construction and installation of the Project pursuant to the Lease Agreement.

SECTION 2.04 DESCRIPTION OF THE PROJECT. The description of the Project to be leased by the City from the Corporation pursuant to the terms and provisions of the Lease Agreement shall be as set forth in the Lease Schedule.

SECTION 2.05 CONDITIONS PRECEDENT SATISFIED. Each party hereto represents with respect to itself that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and delivery of this Trust Agreement have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto each represents as to itself that it is now duly empowered to execute and deliver this Trust Agreement.

ARTICLE III
APPOINTMENT OF TRUSTEE; DECLARATION OF TRUST

SECTION 3.01 APPOINTMENT OF TRUSTEE. In consideration of the recitals hereinabove set forth and for other valuable consideration, the Corporation hereby appoints the Trustee to receive, hold, invest and disburse the Trust Estate and to perform certain other functions, all as hereinafter provided and subject to the terms and conditions of this Trust Agreement.

SECTION 3.02 DECLARATIONS OF TRUST.

(a) The Corporation and the Trustee hereby create this trust for the purpose of facilitating the lease purchase of the Project and the Trustee agrees to (i) accept the assignment and transfer of the rights of the Corporation in and to the Ground Lease; (ii) accept the assignment and transfer of the rights of the Corporation in and to the Lease Agreement (other than the right of the Corporation to be indemnified by the City upon the occurrence of various events described therein, its right to enter into amendments to the Lease Schedule from time to time and its obligations under Section 6.03 of the Lease Agreement) pursuant to the terms and provisions of the Assignment of Leases, (iii) execute, authenticate and deliver the Certificates against receipt of the proceeds from the sale thereof, deposit such proceeds hereunder and disburse same, together with earnings thereon, in accordance with the terms and provisions hereof and of this Trust Agreement, and (iv) subject to Section 9.01 hereof, do all other things necessary or incidental to the purposes hereof.

(b) The Trustee hereby declares that it holds and will hold the Trust Estate upon the trusts and apply the moneys held hereunder as hereinafter set forth for the use and benefit of the Owners of the Certificates as set forth herein.

SECTION 3.03 TRUST ESTATE. The Trust Estate, which shall be held for the benefit of the Owners of the Certificates from time to time Outstanding hereunder, consists of the following:

(a) All right, title and interest in the funds and accounts established under this Trust Agreement and the cash, securities and investments of which they are comprised (other than the Rebate Fund, the Costs of Issuance Account and the Supplemental Rent Fund);

(b) All rights and interest of the Corporation in, to and under the Ground Lease;

(c) All right, title and interest of the Corporation in, to and under the Lease Agreement and the right to receive the Lease Payments under the Lease Agreement but excluding any rights of indemnification set forth therein, its right to enter into amendments to the Lease Schedule from time to time and its obligations provided in Section 6.03 of the Lease Agreement;

(d) All right, title and interest of the Trustee under the Assignment of Leases;

(e) Any moneys received by the Trustee which are derived from the exercise by the Trustee, as assignee of the Corporation, of any of the remedies under this Trust Agreement, the Ground Lease, and the Lease Agreement; and

(f) All property which by the express provisions of this Trust Agreement or the Lease Agreement is required to be subject to the lien hereof, and any additional property that may from time to time hereafter expressly be made subject to the lien hereof by the Trustee, the Corporation or the City or anyone authorized to act on their behalf.

PROVIDED, HOWEVER, that in each case any portion of the Trust Estate which is derived from the re-letting or other disposition of the Parking Garage Land and the Parking Garage, moneys and damages received in relation to the Parking Garage Land and the Parking Garage and any cash, securities and investments in any Pledged Funds shall be utilized solely for the benefit of the Owners of Certificates and for whose benefit such Pledged Funds were established.

SECTION 3.04 TRUST ESTATE FOR BENEFIT OF CERTIFICATE OWNERS.

(a) Subject only to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Corporation hereby declares, and the Trustee acknowledges, that the Trust Estate shall secure the payment of the principal of, Prepayment Premium, if any, and interest on the Outstanding Certificates, which represent an undivided proportionate interest in the Basic Rent Payments under the Lease Agreement.

(b) The Trustee shall be entitled to and shall, subject to the provisions of Article IX hereof and after being provided with indemnity reasonably acceptable to it, take all steps, actions and proceedings necessary, in its judgment, to enforce all of the rights of the Corporation in and under the Ground Lease and the Lease Agreement for the benefit of the Owners of the Certificates.

(c) If the Certificates shall be paid, or provision for payment shall be made in accordance with the terms and provisions of Section 12.01 hereof, and all other payments due hereunder shall be made as provided in Article XII hereunder, the Trust Estate shall terminate and the Owners of the Certificates shall have no right thereto, except as otherwise provided herein.

ARTICLE IV
ISSUANCE OF CERTIFICATES

SECTION 4.01 AUTHORIZATION OF CERTIFICATES.

(a) The aggregate principal amount of Series 2015 Certificates (without regard to any original issue premium or discount) that may be issued is hereby expressly limited to $_____; provided, however, that Completion Certificates and Refunding Certificates may be issued in additional principal amounts as provided in Sections 4.12 and 4.13, respectively, hereof. Upon the issuance of any series of Certificates, under the terms, limitations and conditions herein provided, the Reserve Account shall be funded in an amount equal to the Reserve Requirement if so required in Section 4.01(c) hereof with respect to the Series 2015 Certificates or by the Lease Schedule relating to any other series of Certificates. Nothing herein shall require any series of Certificates to be secured by the Reserve Account or to have a Reserve Requirement established therefor. Any such required amount may be paid in full or in part from the proceeds of such series of Certificates or satisfied all or in part by the deposit of a Reserve Account Surety Bond. Any series of Completion Certificates and Refunding Certificates may additionally be secured by a Municipal Bond Insurance Policy and the Supplemental Trust Agreement relating to such Certificates may set forth the requirements of the Insurer with respect thereto.

(b) Each series of Certificates shall bear interest from their dated date and shall be issuable as fully registered Certificates without coupons in denominations of $5,000 and integral multiples thereof and shall be lettered and numbered R-1 and upward, unless otherwise provided in a Supplemental Trust Agreement relating to such series of Certificates. The Certificates shall be in such amounts, if any, of Serial Certificates and/or Term Certificates as shall be provided herein with respect to the Series 2015 Certificates or as provided in a Supplemental Trust Agreement relating to a series of Completion Certificates or Refunding Certificates. The Certificates issuable under this Trust Agreement shall be designated "[Taxable] Certificates of Participation (Parking Garage Project), Series _____ Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Rent Payments to be Made by the City of Pompano Beach, Florida, As Lessee, Pursuant to a Lease-Purchase Agreement with Pompano Beach Finance Corporation, as Lessor," in each case inserting the year of issuance and any identifying series letter, subject to such variations or changes as may be deemed necessary or appropriate by bond counsel and specified herein or by a Supplemental Trust Agreement relating to a series of Certificates.

(c) The Series 2015 Certificates shall be designated as "Taxable Certificates of Participation (Parking Garage Project), Series 2015 Evidencing Undivided Proportionate

Interests of the Owners Thereof in Basic Rent Payments to be Made by the City of Pompano Beach, Florida, As Lessee, Pursuant to a Lease-Purchase Agreement with Pompano Beach Finance Corporation, as Lessor," and issued for the purposes of (a) financing the Costs of the Project, [(b) funding the Reserve Account in an amount equal to the Reserve Requirement] [through the purchase of a Reserve Account Surety Bond], (c) funding capitalized interest on the Series 2015 Certificates through July 1, 2016, and (d) paying the Costs of Issuance of the Series 2015 Certificates. [The Series 2015 Certificates shall not be secured by the Reserve Account and there shall be no Reserve Requirement for the Series 2015 Certificates.]

Completion Certificates may be issued as provided in Section 4.12 hereof for the purposes of (a) completing the Project, (b) funding the Reserve Account in an amount equal to the Reserve Requirement as same exists at the time of the Completion Certificates, if so specified in the amended Lease Schedule relating to such Completion Certificates, (c) funding capitalized interest on the Completion Certificates, and (d) paying the Costs of Issuance of the Completion Certificates.

Refunding Certificates may be issued as provided in Section 4.13 hereof for the purposes of (a) refinancing the Costs of the Project, (b) funding the Reserve Account in an amount equal to the Reserve Requirement as same exists at the time of the Refunding Certificates, if so specified in the amended Lease Schedule relating to such Completion Certificates and (c) paying the Costs of Issuance of the Refunding Certificates.

(d) The Series 2015 Certificates shall be substantially in the form set forth in Exhibit B hereto, with such appropriate variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Trust Agreement. Each series of Completion Certificates and Refunding Certificates shall be substantially in the form of Exhibit B subject to such variations or changes as may be necessary and appropriate to reflect the details thereof, as shall be more fully set forth in the Supplemental Trust Agreement relating to such Certificates. All Certificates may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Certificates may be listed or any usage or requirement of law with respect thereto.

(e) The Series 2015 Certificates shall be dated their date of delivery. Interest on the Series 2015 Certificates shall be payable on each Interest Payment Date, commencing July 1, 2015. [The Series 2015 Certificates will be secured by the Series 2015 Municipal Bond Insurance Policy and the requirements of the Series 2015 Insurer with respect thereto shall be as set forth in Section 13.13 hereof.]

(f) The Series 2015 Certificates shall bear interest at the respective rates and shall mature on January 1 of each of the years in the respective principal amounts set opposite each year in the following schedule:

$_____ Serial Series 2015 Certificates

Due January 1,	Principal Amount	Interest Rate

$_____ ____% Term Series 2015 Certificates Maturing January 1, 20__

(g) The Series 2015 Certificates maturing on January 1 in the years 20__ through 20__, inclusive, shall be Serial Certificates and the Series 2015 Certificates maturing January 1, 20___ shall be Term Certificates.

(h) The principal of the Certificates shall be payable from the Principal Component of the Basic Rent Payments on January 1 of each year, except as otherwise provided by a Supplemental Trust Agreement. The interest on the Certificates shall be payable semiannually from the Interest Component of Basic Rent Payments on each Interest Payment Date, except as otherwise provided by a Supplemental Trust Agreement. Interest on the Certificates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months, except as otherwise provided by a Supplemental Trust Agreement. Except as otherwise provided in Section 4.01 (b) hereof, the Certificates shall be numbered in such manner as the Trustee deems appropriate.

(i) Except as provided in Section 4.11 hereof, the principal of all Certificates shall be payable at the Principal Office of the Trustee. Payment of the principal of all Certificates shall be made upon the presentation and surrender of such Certificates as the same shall become due and payable. Payment of interest on the Certificates shall be by check or draft mailed to the Owner as of the close of business on the Record Date at his address as it appears on the Certificate Register maintained by the Trustee; except that, if and to the extent that there shall be a default in payment of interest due on such Interest Payment Date, such defaulted interest payment shall be paid to the Owners in whose name any such Certificates are registered at the

close of business on the fifteenth day preceding the date of payment of such defaulted interest payment; provided, however, that at the request and expense of any Owner of $1,000,000 or more in aggregate principal amount of Outstanding Certificates as of the applicable Record Date, interest shall be paid by wire transfer on the Interest Payment Date to a bank account located in the continental United States and designated in writing to the Trustee by said Owner at least five days prior to such Interest Payment Date.

(j) Subject to the foregoing provisions of this Section, each Certificate delivered under this Trust Agreement upon transfer of or in exchange for or in lieu of any other Certificate shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate and each such Certificate shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 4.02 DELIVERY OF SERIES 2015 CERTIFICATES.

(a) The Series 2015 Certificates shall be executed substantially in the form and in the manner set forth herein, but before such Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the President or Vice President of the Corporation, or his or her designee, of the resolution or resolutions of the Board of Directors of the Corporation approving the form of and authorizing the execution and delivery of the Ground Lease, the Lease Agreement, including the Lease Schedule, the Assignment of Leases, and this Trust Agreement;

(ii) A certified copy of the City ordinance authorizing the execution and delivery of the Ground Lease and the Lease Agreement, including the Lease Schedule, and this Trust Agreement and approving the form of, and execution by, the Corporation of the Assignment of Leases;

(iii) An executed copy of the Request and Authorization relating to the Certificates;

(iv) A fully executed counterpart of this Trust Agreement;

(v) A fully executed counterpart of the Ground Lease;

(vi) A fully executed counterpart of the Lease Agreement and the Lease Schedule;

(vii) A fully executed counterpart of the Assignment of Leases;

(viii) An opinion of the City Attorney of the City evidencing that title to the Land is vested in the City and that the leasehold interest of the Corporation and the Trustee in the Land under the Ground Lease is vested in the Corporation and the Trustee,

in each case, free and clear of all liens and encumbrances, except Permitted Encumbrances [or such other form of opinions acceptable to the Series 2015 Insurer];

(ix) An opinion of the City Attorney of the City, as counsel for the Corporation, to the effect that (A) the Corporation has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Corporation has the power and authority to execute and deliver this Trust Agreement, the Ground Lease, the Lease Agreement, the Lease Schedule and the Assignment of Leases, (B) this Trust Agreement, the Ground Lease, the Lease Agreement, the Lease Schedule, and the Assignment of Leases have each been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Corporation enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by principles of equity;

(x) An opinion of the City Attorney of the City to the effect that (A) the City is a duly organized and validly existing municipal corporation of the State and has all necessary power and authority to execute and deliver this Trust Agreement, the Ground Lease, the Lease Agreement, and the Lease Schedule, and (B) this Trust Agreement, the Ground Lease, the Lease Agreement, and the Lease Schedule has each been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the City enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles; and

(xi) An opinion of the City Attorney of the City to the effect that (A) there is no reason to believe that all material construction, zoning and land use permits, consents, approvals or licenses of governmental or public bodies, agencies and authorities which are necessary for the acquisition and construction of the Project will not be obtained; (B) based upon written opinions, certificates, statements or affidavits of any governmental employee or official, engineer, consultant or accountant reasonably believed by such counsel to be qualified in relation to the subject matter, there are no governmental actions or proceedings (except actions or proceedings that are fully covered by insurance) pending or, to such counsel's knowledge, threatened affecting the Project, which, if adversely determined, would materially adversely impair the City's ability to acquire, construct and install the Project; (C) such counsel knows of no violation and has no notice of a violation of any court order or of any law, regulation, ordinance, rule, order, code or requirement of any governmental authority having jurisdiction over all or any portion of the Project that may materially detrimentally affect the development and operation of the Project as planned; and (D) the Project has access to or abuts upon a public right of way or other public access; and

[(xii) The Series 2015 Municipal Bond Insurance Policy]; and

[(xiii) Evidence that the Reserve Account has been fully funded in an amount equal to the Reserve Requirement for the Series 2015 Certificates.]

(b) When the documents described in paragraphs (i) to (xiii), inclusive, of Section 4.02(a) hereof shall have been filed with the Trustee, and when the Certificates shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the Series 2015 Certificates at one time to, or upon the order of, the Purchasers of the Series 2015 Certificates, but only upon payment to the Trustee of the purchase price of such Series 2015 Certificates and the accrued interest thereon. The Trustee shall be entitled to conclusively rely upon the resolutions described in paragraphs (i) and (ii) of Section 4.02(a) hereof as to all matters stated therein. The Trustee shall be entitled to conclusively rely upon the legal opinions described in Section 4.02(a) hereof as to all matters stated therein.

SECTION 4.03 EXECUTION OF CERTIFICATES. All Certificates shall be executed with the manual or facsimile signature of an authorized officer of the Trustee. In case any officer whose signature or a facsimile of whose signature shall appear on any Certificates shall cease to be such officer before the delivery of such Certificates, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Certificates may bear the facsimile signature of, or may be signed by, such officer as at the actual time of the execution of such Certificates shall be the proper officer to sign such Certificates although at the dated date of such Certificates such officer may not have been such officer.

SECTION 4.04 AUTHENTICATION OF CERTIFICATES. Only such Certificates as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit B hereto, manually executed by the Trustee, shall be entitled to any benefit or security under this Trust Agreement. No Certificate shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Certificate shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Certificate shall be conclusive evidence that such Certificate has been duly authenticated and delivered under this Trust Agreement. The Trustee's certificate of authentication on any Certificate shall be deemed to have been duly executed if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates that may be issued hereunder at any one time.

SECTION 4.05 EXCHANGE OF CERTIFICATES. Certificates, upon surrender thereof at the designated corporate trust office of the Trustee, together with an assignment duly executed by the Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of Certificates of the same maturity and series, of any denomination or denominations authorized by this Trust Agreement, bearing interest at the same rate, and in the same form as the Certificates surrendered for exchange.

SECTION 4.06 NEGOTIABILITY, REGISTRATION AND TRANSFER OF CERTIFICATES.

(a) The Trustee shall keep or cause to be kept a Certificate Register, which shall at all times be open to inspection by the City, the Corporation and the Owners of ten percent (10%) or more of the aggregate principal amount of Certificates then Outstanding to which such Certificate Register relates; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on the Certificate Register, of Certificates as provided herein.

(b) The transfer of any Certificate may be registered only upon the Certificate Register upon surrender thereof to the Trustee together with an assignment duly executed by the Owner or such Owner's attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such registration of transfer the Trustee shall authenticate and deliver in exchange for such Certificate a new registered Certificate or Certificates, registered in the name of the transferee, of any denomination or denominations authorized by this Trust Agreement in the aggregate principal amount equal to the principal amount of such Certificate surrendered or exchanged, of the same maturity and series and bearing interest at the same rate.

(c) In all cases in which Certificates shall be exchanged or the transfer of Certificates shall be registered hereunder, the Trustee shall authenticate and deliver at the earliest practicable time Certificates in accordance with the provisions of this Trust Agreement. All Certificates surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Trustee. Upon the cancellation of any Certificates by the Trustee, the Trustee shall execute a certificate of cancellation in duplicate by the signature of one of its authorized officers describing the Certificates so cancelled, and executed cancellation certificates shall be filed with the City and the other executed cancellation certificate shall be retained by the Trustee. No service charge shall be made for any registration, transfer, or exchange of Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates as a condition precedent to such registration, transfer or exchange. The Trustee shall not be required to transfer or exchange Certificates (i) during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of prepayment of Certificates and ending at the close of business on the day of such mailing, (ii) so selected for prepayment in whole or in part, or (iii) during a period beginning at the opening of business on the Record Date next preceding a date set for payment of interest and ending on such Interest Payment Date.

SECTION 4.07 OWNERSHIP OF CERTIFICATES. The Trustee shall deem and treat the Person in whose name any Outstanding Certificate shall be registered upon the Certificate Register as the absolute Owner of such Certificate, whether such Certificate shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest payments with respect to such Certificate and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and neither the Corporation, the City nor the Trustee shall be affected by any notice to the contrary.

SECTION 4.08 MUTILATED, DESTROYED, STOLEN OR LOST CERTIFICATES.

(a) In case any Certificate secured hereby shall become mutilated or be destroyed, stolen or lost, the Trustee shall cause to be executed, shall authenticate and deliver, a new Certificate of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Certificate or in lieu of and in substitution for such Certificate destroyed, stolen or lost, and the Owner shall pay the reasonable expenses and charges of the Trustee in connection therewith and, in case of a Certificate destroyed or lost, the Owner shall file with the Trustee evidence satisfactory to it and that such Certificate was destroyed or lost, and of his ownership thereof, and as a condition precedent to delivery of such new Certificate the Trustee may require indemnity satisfactory to it.

(b) Every Certificate issued pursuant to the provisions of this Section in exchange or substitution for any Certificate which is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation pursuant to the terms hereof, whether or not the destroyed, lost or stolen Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Certificates duly issued under this Trust Agreement. All Certificates shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Certificates, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 4.09 TEMPORARY CERTIFICATES.

(a) Until definitive Certificates are ready for delivery, there may be executed, and upon request of the City, the Trustee shall authenticate and deliver, in lieu of definitive Certificates and subject to the same limitations and conditions, typewritten temporary Certificates, in the form of fully registered Certificates in denominations of $5,000 or any whole multiple thereof, substantially of the tenor of the Certificates set forth in this Trust Agreement and with such appropriate omissions, insertions and variations as may be required.

(b) If temporary Certificates shall be issued, the Trustee, upon preparation of the definitive Certificates and presentation to it at its designated office of any temporary Certificate, shall cancel the same and authenticate and deliver to the Owner, without charge to such Owner, a definitive Certificate or Certificates of an equal aggregate principal amount, of the same maturity and series and bearing interest at the same rate as the temporary Certificate surrendered. Until so exchanged, the temporary Certificates shall in all respects be entitled to the same benefit and security of this Trust Agreement as the definitive Certificates to be issued and authenticated hereunder.

SECTION 4.10 EVIDENCE OF SIGNATURES OF CERTIFICATE OWNERS AND OWNERSHIP OF CERTIFICATES.

(a) Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Certificate Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(i) The fact and date of the execution by any Certificate Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions that the Persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(ii) The fact of the ownership of Certificates by any Certificate Owner and the amount, the Principal Payment Date and the numbers of such Certificates and the date of his ownership of the same shall be proved by the Certificate Register held by the Trustee pursuant to this Trust Agreement.

(b) Nothing contained in this Article IV shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the City or the Trustee in pursuance of such request or consent.

SECTION 4.11 BOOK ENTRY. Notwithstanding the provisions in this Trust Agreement, the provisions of this Section 4.11 shall apply with respect to the Certificates so long as the Certificates are registered in a Book-Entry Only System with DTC. Such Certificates shall be issued in typewritten (or photocopy of typewritten) book-entry registration form, initially registered in the name of Cede & Co. ("Cede"), as nominee for DTC, and immobilized in the custody of DTC.

So long as a Book-Entry Only System of registration is in effect with DTC, purchasers of beneficial ownership interests in the Certificates ("Beneficial Owners") will not receive certificates representing their interests in the Certificates, and references in this Trust Agreement to the Owners of the Certificates (the "Registered Owners") shall mean Cede and shall not mean the Beneficial Owners.

So long as Cede, as nominee for DTC, is the Registered Owner, the Trustee will treat Cede as the only Registered Owner for all purposes under this Trust Agreement, including receipt of all payments on the Certificates, receipt of notices, voting rights and requesting or directing the Trustee to take or not to take, or consenting to, certain actions under this Trust Agreement.

The Trustee shall not have any responsibility or obligation to DTC's participants (the "DTC Participants") or other entities that clear through or have a custodial relationship with a DTC Participant directly or indirectly (the "Indirect Participants") or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC, any DTC Participant or any Indirect Participant; (b) the payment by DTC of any amount due to any DTC Participant or the payment by any DTC Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of payments made on the Certificates; (c) the delivery or timeliness of delivery by DTC of any notice to any DTC Participant or the delivery or timeliness of delivery by any DTC Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms hereof to be given to Registered Owners; (d) the selection of the Beneficial Owners to receive payments in the event of any partial prepayment of the Certificates; or (e) any consent given or other action taken by DTC or Cede, as Registered Owner.

The Trustee shall cease to maintain a Book-Entry Only System of registration with DTC, in the event that:

(a) DTC determines not to continue to act as securities depository for the Certificates; or

(b) the Trustee has advised DTC of the Corporation's determination that DTC is incapable of discharging its duties; or

(c) the Corporation determines that it is in the best interest of the Beneficial Owners not to continue a Book-Entry Only System or that the interests of the Beneficial Owners of the Certificates might be adversely affected if a Book-Entry Only System is continued.

Upon occurrence of the events described in (a) or (b) above, the Trustee shall attempt to establish a Book-Entry Only System of registration with another qualified securities depository, and, if successful, (i) shall so notify Beneficial Owners of the Certificates through DTC, and (ii) take such other actions as shall be necessary to establish a Book-Entry Only System of registration with such other depository.

If the Trustee does not establish a Book-Entry Only System of registration with another qualified securities depository in replacement of DTC, the Trustee shall authenticate and deliver replacement Certificates in printed certificate form to those persons who are identified by DTC (and by the DTC Participants and Indirect Participants through DTC) as the Beneficial Owners of such Certificates.

SECTION 4.12 COMPLETION CERTIFICATES.

(a) Subject to Section 13.13 hereof, Completion Certificates may be issued under and secured by this Trust Agreement, subject to the conditions hereinafter provided in this Section, at any time or times for the purposes of (i) providing necessary funds to complete payment of the Costs of the Project previously financed hereunder or to finance additional property which shall be added to the Project or which shall be substituted for a portion of the Project, (ii) making a deposit, if required by the related amended Lease Schedule, to the Reserve Account, (iii) paying capitalized interest on such Completion Certificates, and (iv) paying the Costs of Issuance relating to said Completion Certificates. Except for the purposes of Section 6.03 of the Lease Agreement, such Completion Certificates, for purposes of this Trust Agreement and the Lease Agreement, shall constitute a part of the same series of Certificates as the Certificates issued to pay the original Costs of the Project. Such Completion Certificates shall be executed substantially in the form and in the manner set forth herein, but before such Completion Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the Secretary of the Corporation, or his or her designee, of the resolution or resolutions of the Board of Directors of the Corporation approving the form of and authorizing the execution and delivery of the Ground Lease, the Lease Agreement, including the Lease Schedule as amended to take into account the Completion Certificates, the Assignment of Leases, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(ii) A certified copy of the City ordinance authorizing the execution and delivery of the Ground Lease, the Lease Agreement, including the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates and approving the execution and delivery by the Corporation of the Assignment of Leases;

(iii) An executed copy of the Request and Authorization relating to such Completion Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates;

(v) A fully executed counterpart of the Ground Lease, the Lease Agreement and the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, the change, if any, to such Project and the additional Basic Rent Payments that would have to be made thereunder;

(vi) A fully executed counterpart of the Assignment of Leases;

(vii) An opinion of the City Attorney of the City evidencing that title to the Land is vested in the City and that the leasehold interest of the Corporation and the

Trustee in the Land under the Ground Lease is vested in the Corporation and the Trustee, in each case free and clear of all liens and encumbrances, except Permitted Encumbrances or such other form of opinion acceptable to the Insurer, if any, of the Completion Certificates;

(viii) An opinion of the City Attorney of the City, as counsel for the Corporation, to the effect that (A) the Corporation has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Corporation has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such Completion Certificates, the Ground Lease, the Lease Agreement, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates and the Assignment of Leases, (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Completion Certificates, the Ground Lease, the Lease Agreement, the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, and the Assignment of Leases has each been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Corporation enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles;

(ix) An opinion of the City Attorney of the City to the effect that (A) the City is a duly organized and validly existing municipal corporation of the State and has all necessary power and authority to execute and deliver the Ground Lease, the Lease Agreement and the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates, (B) the Ground Lease, the Lease Agreement and the Lease Schedule relating to the original Project as amended to take into account the Completion Certificates, this Trust Agreement and the Supplemental Trust Agreement relating to such Completion Certificates has each been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the City enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles and (C) to such counsel's knowledge after due investigation, all permits or approvals required for the lease, construction and operation of the Project, if any, have been obtained;

(x) An opinion of the City Attorney of the City to the effect that (A) there is no reason to believe that all material construction, zoning and land use permits, consents, approvals or licenses of governmental or public bodies, agencies and authorities which are necessary for the acquisition and construction of the Project, including any modifications thereto for which the Completion Certificates were issued, will not be obtained; (B) based upon written opinions, certificates, statements or affidavits of any

governmental employee or official, engineer, consultant or accountant reasonably believed by such counsel to be qualified in relation to the subject matter, there are no governmental actions or proceedings (except actions or proceedings that are fully covered by insurance) pending or, to such counsel's knowledge, threatened affecting the Project, including any modifications thereto for which the Completion Certificates were issued, will not be obtained which, if adversely determined, would materially adversely impair the City's ability to acquire, construct and install the Project; (C) such counsel knows of no violation and has no notice of a violation of any court order or of any law, regulation, ordinance, rule, order, code or requirement of any governmental authority having jurisdiction over all or any portion of the Project, including any modifications thereto for which the Completion Certificates were issued, will not be obtained that may materially detrimentally affect the development and operation of the Project as planned; and (D) the Project, including any modifications thereto for which the Completion Certificates were issued, will not be obtained has access to or abuts upon a public right of way or other public access, unless otherwise covered under the title policy relating to the Land and to be delivered in connection with the Series 2015 Certificates;

(xi) An opinion of Special Counsel to the effect that (A) except for Completion Certificates issued as Taxable Certificates and subject to customary qualifications, the Interest Component of such series of Completion Certificates is excluded from the gross income of the Owners thereof for purposes of federal income taxation and (B) if Certificates other than Taxable Certificates are Outstanding, the issuance of such Completion Certificates will not, in and of itself, adversely affect the exclusion from gross income of the Interest Component of such other Outstanding Certificates, to the extent then excluded; and

(xii) Evidence that the Reserve Requirement, if any, as same will exist upon issuance of the Completion Certificates, has been fully funded.

(b) When the documents described in paragraphs (i) to (xii), inclusive, of Section 4.12(a) hereof shall have been filed with the Trustee and when the Completion Certificates shall have been executed and authenticated as required by this Trust Agreement, the Trustee shall deliver the Completion Certificates at one time to, or upon the order of, the Purchasers of such Completion Certificates, but only upon payment to the Trustee of the purchase price of the Completion Certificates and the accrued interest thereon. The Trustee shall be entitled to conclusively rely upon the resolutions described in paragraphs (i) and (ii) of Section 4.12(a) hereof as to all matters stated therein. The Trustee shall be entitled to conclusively rely upon the legal opinions described in Section 4.12(a) hereof as to all matters stated therein.

(c) The proceeds of the Completion Certificates may also be used to capitalize interest on such Completion Certificates and/or pay Costs of Issuance, and shall be deposited in the Pledged Funds in such manner and in such amounts as determined by the Supplemental Trust Agreement relating to authorization of such Completion Certificates. The Completion Certificates shall be secured on a parity with all Outstanding Certificates in accordance with the terms hereof.

SECTION 4.13 REFUNDING CERTIFICATES.

(a) Subject to Section 13.13 hereof, Refunding Certificates may be issued under and secured by this Trust Agreement, subject to the conditions hereinafter provided in this Section, at any time or times, for the purposes of (i) providing funds for refunding part or all of the Certificates at or prior to their maturity or maturities, including the payment of any Prepayment Premium thereon and interest which will accrue on such Certificates to their dates of payment, (ii) making a deposit, if required by the related amended Lease Schedule, to the Reserve Account, and (iii) paying the Costs of Issuance relating to said Refunding Certificates.

(b) Such Refunding Certificates shall be executed substantially in the form and manner set forth herein, but before the Refunding Certificates shall be delivered by the Trustee, there shall be filed or deposited with the Trustee the following:

(i) A copy, certified by the Secretary of the Corporation, or his or her designee, of the resolution or resolutions of the Board of Directors of the Corporation approving the form of and authorizing the execution and delivery of the Ground Lease, the Lease Agreement, including the Lease Schedule relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule), the Assignment of Leases, this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(ii) A certified copy of the City ordinance authorizing the execution and delivery of the Ground Lease, the Lease Agreement, including the Lease Schedule relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule), this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates and approving the form of, and authorizing execution by, the Corporation of the Assignment of Leases;

(iii) An executed copy of the Request and Authorization relating to such Refunding Certificates;

(iv) A fully executed counterpart of this Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates;

(v) A fully executed counterpart of the Ground Lease;

(vi) A fully executed counterpart of the Lease Agreement and the Lease Schedule as amended to take into account the Refunding Certificates;

(vii) A fully executed counterpart of the Assignment of Leases;

(viii) A fully executed counterpart of an Escrow Deposit Agreement.

(ix) An opinion of the City Attorney of the City evidencing that title to the Land is vested in the City and the leasehold interest of the Corporation and the Trustee in the Land under the Ground Lease is vested in the Corporation and the Trustee, in each case, free and clear of all liens and encumbrances, except Permitted Encumbrances or such other form of title opinion acceptable to the Insurer of the Refunding Certificates;

(x) An opinion of the City Attorney of the City, as counsel for the Corporation, to the effect that (A) the Corporation has been duly organized and is validly existing as a not-for-profit corporation in good standing under the laws of the State, and the Corporation has the power and authority to execute and deliver this Trust Agreement, the Supplemental Trust Agreement relating to such Refunding Certificates, the Ground Lease, the Lease Agreement, the Lease Schedule relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule), and the Assignment of Leases, and (B) this Trust Agreement, the Supplemental Trust Agreement relating to such Refunding Certificates, the Ground Lease, the Lease Agreement, the Lease Schedule relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule), and the Assignment of Leases has each been duly authorized, executed and delivered by the Corporation and, assuming due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding agreements of the Corporation enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally or by usual equity principles;

(xi) An opinion of the City Attorney of the City to the effect that (A) the City is a duly organized and validly existing municipal corporation of the State and has all necessary power and authority to execute and deliver the Ground Lease, the Lease Agreement and the Lease Schedule relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule), the Trust Agreement and the Supplemental Trust Agreement relating to such Refunding Certificates, (B) the Ground Lease, the Lease Agreement and the Lease Schedule relating to the Refunding Certificates (which may be in the form of amendments to the Lease Schedule relating to the Certificates to be refunded), this Trust Agreement and the Supplemental Trust Agreement relating to the Refunding Certificates has each been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery thereof by the other parties thereto and subject to the terms and conditions thereof, constitute the valid and binding agreements of the City enforceable in accordance with their terms, except to the extent that the enforceability of the same may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the usual equitable principles;

(xii) An opinion of Special Counsel to the effect that (A) except in the case of Refunding Certificates issued as Taxable Certificates, and subject to customary qualifications, the Interest Component of the Refunding Certificates and the Refunded Certificates (if other than Taxable Certificates) is or will remain excluded from the gross income of the Owner thereof for purposes of federal income taxation and (B), in the case

of an advance refunding, the Refunded Certificates have been defeased in accordance with the terms hereof;

(xiii) A report of a certified public accountant or firm of certified public accountants verifying the mathematical accuracy of calculations supplied by the City, or its designee, that the proceeds of such Refunding Certificates plus any other moneys available for such purpose, including investment earnings, shall be not less than an amount sufficient to pay the principal of and the Prepayment Premium, if any, on the Certificates to be refunded and the Interest Component of Basic Rent Payments represented by the Certificates which will accrue thereon to the prepayment date or maturity dates applicable thereto;

(xiv) Evidence that the Reserve Requirement, if any, as same will exist upon issuance of the Refunding Certificates, has been fully funded; and

(xv) Except with respect to Refunding Certificates which will result in debt service savings with respect to the Certificates to be refunded, the consent of any Insurer which has insured a series of Certificates that will remain Outstanding after issuance of the Refunding Certificates.

(c) When the documents described in paragraphs (i) through (xv), inclusive, of Section 4.13(b) hereof shall have been filed with the Trustee and when the Refunding Certificates shall have been executed and authenticated, the Trustee shall deliver such Refunding Certificates to or upon the order of the Purchasers thereof, but only upon payment to the Trustee of the purchase price of such Refunding Certificates, plus accrued interest, if any. The Trustee shall be entitled to conclusively rely upon the resolutions described in paragraphs (i) and (ii) of Section 4.13(b) hereof as to all matters stated herein. The Trustee shall be entitled to conclusively rely upon the legal opinions described in Section 4.13(b) hereof as to all matters stated therein.

(d) Other than for amounts required to pay Costs of Issuance or to make deposits to the Reserve Account, the proceeds of such Refunding Certificates and any other moneys received by the Trustee or other escrow agent acceptable to the City for such purpose, shall be held by the Trustee or such other escrow agent in a special fund appropriately designated, to be held in trust for the sole and exclusive purpose of paying the principal of, Prepayment Premium, if any, and interest on the Certificates to be refunded, all as provided in Section 12.01 hereof.

(e) The Trustee is hereby authorized, at the written direction of the City, to remove moneys from the Principal Account, the Interest Account and the Reserve Account pledged to the payment of the Certificates to be refunded and apply the same in the manner required by the Supplemental Trust Agreement authorizing the issuance of the Refunding Certificates.

(f) Subject to the provisions of Section 4.13(e) hereof, the Refunding Certificates shall be secured in the same manner and from the same Pledged Funds as were the Certificates to be refunded in accordance with the terms hereof.

SECTION 4.14 PAYMENTS FROM TRUST ESTATE ONLY; DISTRIBUTION OF TRUST ESTATE.

(a) Each Certificate executed and delivered pursuant to this Trust Agreement shall rank pari passu and be equally and ratably secured under this Trust Agreement with each other Certificate issued pursuant to this Trust Agreement and Outstanding, without preference, priority or distinction of any such Certificate over any other such Certificate.

(b) Except as otherwise expressly provided in Section 4.14(a) above, and elsewhere herein, all amounts payable by the Trustee with respect to the Certificates shall be paid only from the Trust Estate or from any other amounts derived from the Project and only to the extent that the Trustee shall have actually received sufficient income or proceeds from the Trust Estate to make such payments. Each Certificate Holder agrees, except as otherwise expressly provided herein, to look solely to the income of and the proceeds from the Trust Estate to the extent available for distribution to such holder as herein provided and that the Trustee is not personally liable to any Certificate Holder for any amounts payable under this Trust Agreement or subject to any liability whatsoever under this Trust Agreement except as a result of negligence or willful misconduct by the Trustee.

ARTICLE V
PREPAYMENT

SECTION 5.01 PREPAYMENT. The terms of this Article V shall apply to the prepayment of Series 2015 Certificates. Additional prepayment provisions with respect to Completion Certificates and Refunding Certificates shall be as set forth in the Supplemental Trust Agreement relating to authorization of the same.

(a) The Series 2015 Certificates are subject to Extraordinary Prepayment, in whole, on any date, or in part, on any Extraordinary Prepayment Date (if in part, in any order of maturity as directed by the City or, in the absence of such direction, in inverse order of maturity and by lot within maturities), without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of Basic Rent Payments to be prepaid, together with accrued interest to the Extraordinary Prepayment Date, from the Net Proceeds of insurance or condemnation or other amounts deposited with the Trustee pursuant to Section 5.08 of the Lease Agreement. The Extraordinary Prepayment Date with respect to any partial Extraordinary Prepayment shall be the next succeeding Interest Payment Date following the receipt by the Trustee of the moneys to be used for such prepayment; provided, however, if such Interest Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Extraordinary Prepayment Date shall be the second succeeding Interest Payment Date.

(b) The Series 2015 Certificates maturing on or before January 1, 20__ shall not be subject to prepayment at the option of the City. Any of the Series 2015 Certificates maturing after January 1, 20__ may be prepaid, from optional prepayments of Basic Rent Payments made by the City pursuant to the Lease Agreement, in whole or in part on January 1, 20___ or any date

thereafter, and in such order of maturities as may be designated by the City, or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of Basic Rent Payments to be prepaid, together with accrued interest to the prepayment date.

(c) The Series 2015 Term Certificates maturing on January 1, 20__ shall be subject to mandatory prepayment, without Prepayment Premium, commencing on January 1, 20___ from Amortization Installments in the amounts and in the years set forth below (the Trustee shall select such Series 2015 Certificates by lot in such manner as it deems appropriate):

Payment Date (January 1)	Amortization Installment
	$
*	

*Final Maturity

SECTION 5.02 SELECTION OF CERTIFICATES TO BE PREPAID.

(a) When Certificates are selected for prepayment by lot, selection of Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Certificate to be prepaid shall be in the principal amount of $5,000 or any whole multiple thereof, and that in selecting portions of Certificates for prepayment, the Trustee shall treat each such Certificate as representing that number of Certificates which is obtained by dividing the principal amount with respect to such Certificate by $5,000.

(b) Upon any prepayment pursuant to this Article V, the Trustee shall provide the City with, or cause to be provided, a revised schedule of Basic Rent Payments to take into account such prepayment which shall be and become for all purposes part of the Lease Agreement.

SECTION 5.03 NOTICE OF PREPAYMENT.

(a) When prepayment of Certificates is authorized or required pursuant to the provisions hereof and of any Supplemental Trust Agreement relating to such Certificates, the Trustee shall give to the Owners of Certificates to be prepaid notice, at the expense of the City, of the prepayment of the Certificates. Such notice shall state: (i) the CUSIP numbers of all Certificates being prepaid, (ii) the original issue date of such Certificates, (iii) the maturity date, series and rate of interest borne by each Certificate being prepaid, (iv) the prepayment date, (v) the Prepayment Price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Certificates are to be prepaid, the certificate number (and, in the case of a partial

prepayment of any Certificate, the principal amount) of each Certificate to be prepaid, (viii) that on such prepayment date there shall become due and payable upon each Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of Certificates to be prepaid in part only, together with interest accrued thereon to the prepayment date, and that from and after such date interest thereon shall cease to accrue and be payable, (ix) that the Certificates to be prepaid, whether as a whole or in part, are to be surrendered for payment of the Prepayment Price at the designated corporate trust office of the Trustee at an address specified, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such prepayment, if any.

(b) Notice of such prepayment shall be given by first class mail, postage prepaid, not more than sixty (60) days or fewer than thirty (30) days prior to said date of prepayment, to the Owners of any Certificates to be prepaid. Any defect in such notice as mailed shall not affect the validity of the proceedings for the prepayment of the Certificates for which proper notice has been given.

(c) In addition to the mailing of the notice described above, further notice of prepayment shall be provided as set forth in the following sentence provided, however, that failure to provide such further notice of prepayment or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for prepayment if notice thereof is given as prescribed in Sections 5.03(a) and 5.03(b) hereof. Each further notice of prepayment shall be sent on the second Business Day prior to the date regular notice of prepayment is given by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Certificates and on the date notice of prepayment is given, notice of prepayment shall be mailed to at least two national information services which disseminate notices of prepayment of obligations such as the Certificates.

(d) If at the time of mailing of notice of an optional prepayment, the City shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Certificates called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

SECTION 5.04 DEPOSIT OF PREPAYMENT AMOUNTS; EFFECT OF CALLING FOR PREPAYMENT.

On the date fixed for prepayment, notice having been given in the manner and under the conditions hereinabove provided, the Certificates or portions thereof called for prepayment shall be due and payable at the Prepayment Price provided therefor, except as otherwise provided in the notice of prepayment. If money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Price of the Certificates to be prepaid (including accrued interest thereon to the date fixed for prepayment), are held by the Trustee in trust for the Owners of Certificates to be prepaid, interest on the Certificates called for prepayment shall cease to accrue as of the date set for prepayment; such Certificates shall cease to be entitled to any benefits or security under this Trust Agreement or to be deemed Outstanding; and the Owners of such Certificates

shall have no rights in respect thereof except to receive payment of the Prepayment Price thereof (including accrued interest to the date fixed for prepayment) from the moneys and/or Refunding Securities held therefor. Certificates and portions of Certificates for which irrevocable instructions to pay on one or more specified dates or to call for prepayment at the earliest prepayment date have been given to the Trustee in form satisfactory to it shall not thereafter be deemed to be Outstanding under this Trust Agreement and shall cease to be entitled to the security of or any rights under this Trust Agreement, other than rights to receive payment of the Prepayment Price thereof (including accrued interest thereon to the date fixed for prepayment), to be given notice of prepayment in the manner provided in Section 5.03 hereof, and, to the extent hereinafter provided, to receive Certificates for any unpaid portions of Certificates if money or Refunding Securities, or a combination of both, sufficient to pay the Prepayment Premium of such Certificates or portions thereof, together with accrued interest thereon to the date upon which such Certificates are to be prepaid, are held in separate accounts by the Trustee in trust for the Owners of such Certificates.

SECTION 5.05 PREPAYMENT OF A PORTION OF CERTIFICATES. If a portion of an Outstanding Certificate shall be selected for prepayment, the Owner thereof or his attorney or legal representative shall present and surrender such Certificate to the Trustee for payment of the principal amount thereof so called for prepayment and the Prepayment Premium, if any, on such principal amount, and the Trustee shall authenticate and deliver to or upon the order of such Owner or his legal representative, without charge therefor, for the unpaid portion of the principal amount of the Certificate so surrendered, a Certificate of the same maturity and series and bearing interest at the same rate; provided, however, that if the Owner is a securities depository nominee, the securities depository, in its discretion, (a) may surrender such Certificate to the Trustee and request that the Trustee authenticate and deliver a new Certificate for the portion of the principal amount of the Certificate so surrendered which was not prepaid, or (b) shall make an appropriate notation on the Certificate indicating the dates and amounts of such reduction in principal.

SECTION 5.06 CANCELLATION. Certificates so prepaid, presented and surrendered shall be cancelled upon the surrender thereof.

ARTICLE VI
ESTABLISHMENT AND ADMINISTRATION OF FUNDS AND ACCOUNTS

SECTION 6.01 APPLICATION OF CERTIFICATE PROCEEDS. On the date of delivery of the Certificates, the Trustee agrees to deposit the proceeds of the Certificates as provided in the Request and Authorization relating to the Certificates, which shall be in substantially the form provided in Exhibit C attached hereto.

SECTION 6.02 CREATION OF FUNDS AND ACCOUNTS.

(a) There is hereby established with the Trustee the following funds and accounts:

(i) The "Project Fund." The Trustee shall maintain three separate accounts in the Project Fund: the "Project Account," the "Costs of Issuance Account" and the "Capitalized Interest Account."

(ii) The "Lease Payment Fund." The Trustee shall maintain three separate accounts in the Lease Payment Fund: the "Principal Account," the "Interest Account" and the "Reserve Account."

(iii) The "Prepayment Fund."

(iv) The "Rebate Fund."

(v) The "Earnings Fund."

(vi) The "Supplemental Rent Fund."

Moneys in the aforementioned Pledged Funds (which excludes the Rebate Fund, the Costs of Issuance Account and the Supplemental Rent Fund) until applied in accordance with the provisions hereof, shall be subject to an exclusive first lien and charge in favor of the Owners of the Certificates and for the further security of such Owners in accordance with the terms hereof. The Trustee shall keep and hold moneys in the funds and accounts established pursuant to this Section separate and apart from all other funds and moneys held by it. Separate accounts or subaccounts in the funds and accounts established hereby may be created as contemplated herein.

SECTION 6.03 PROJECT ACCOUNT.

(a) The Trustee shall deposit into the Project Account (i) a portion of the proceeds from the Certificates in accordance with the Request and Authorization, (ii) any additional amounts deposited with the Trustee by the City for the purpose of paying additional Project Costs in accordance with Section 3.05 of the Lease Agreement, (iii) any unexpended moneys remaining in the Costs of Issuance Account required to be deposited into the Project Account in accordance with Section 3.07 of the Lease Agreement, and (iv) any Net Proceeds deposited with the Trustee by the City pursuant to Section 5.08 of the Lease Agreement. Amounts in the Project Account shall be disbursed for Costs of the Project and for no other purpose except as provided in Sections 6.03(b), (c) and (d) hereof. Disbursements from the Project Account shall be made by the Trustee upon receipt of a completed Requisition, in substantially the form attached hereto as Exhibit D, signed by an Authorized Officer. The Trustee may conclusively and exclusively rely on such Requisition for purposes of disbursing money from the Project Account.

(b) The completion of the acquisition, construction and installation of the Project and the Completion Date thereof shall be evidenced by a Certificate of Acceptance executed by the City in the form attached as an exhibit to the Lease Agreement, which Certificate of Acceptance shall be filed with the Trustee upon completion of the Project. Upon the filing of such Certificate of Acceptance any amounts remaining in the Project Account shall, if the City so elects, be retained in such Project Account to pay any remaining Costs of the Project or be applied to reimburse the City for Costs of the Project funded by the City from sources other than Certificate

proceeds, provided an opinion of Special Counsel is first delivered to the Trustee concluding that such application will not cause the exemption from federal income tax of the interest portion of the Basic Rent Payments represented by the Certificates to be adversely affected by such application (which opinion of Special Counsel will not be required when only Taxable Certificates are Outstanding) and, thereafter, any balance remaining shall be transferred to the Lease Payment Fund and applied as a credit to Basic Rent Payments due under the Lease Schedule in accordance with Section 6.06(a) hereof. In the event that the Lease Term terminates prior to the execution by the City of a Certificate of Acceptance, the Trustee shall transfer all amounts remaining in the Project Account to the special account established by the Trustee for the Certificates pursuant to Section 8.04 hereof and applied in accordance with said Section 8.04.

(c) Upon the receipt of a certificate executed by an Authorized Officer of the City stating that all the Project Costs with respect to repair, restoration, or acquisition of replacement property of the Project in accordance with Section 5.08(b) of the Lease Agreement have been paid and the repair, restoration or acquisition of replacement property of the Project has been completed and approved and accepted by the City in accordance with Section 5.08(b) of the Lease Agreement, the funds derived from Net Proceeds deposited with the Trustee pursuant to Section 5.08(b) of the Lease Agreement and remaining in the Project Account (the "Remaining Net Proceeds Funds") shall be deposited into the Lease Payment Fund in accordance with Section 6.06(a) hereof. If the City provides a certificate of an Authorized Officer of the City that all or a portion of moneys then on deposit in the Project Account are required to pay costs of repair, restoration or acquisition of replacement property of the Project for items which have been or will be ordered or contracted, or sales or use taxes of such items if such sales or use taxes are or will be payable but have not yet been paid, then such Remaining Net Proceeds Funds or portions thereof shall be retained in the Project Account for the purpose of payment of said costs described in said certificate.

(d) Notwithstanding anything herein to the contrary, interest and other income earned from the investment of moneys in the Project Account ("Project Account Income") shall be transferred and deposited as follows: (1) upon the Trustee's receipt of written notice from the Corporation or the Rebate Analyst stating that Project Account Income exceeds the yield (as defined in Section 148(h) of the Code) on the Certificates (other than Taxable Certificates) and stating the amount of such excess yield, then (1) the Project Account Income constituting such excess yield shall be transferred and deposited into the Earnings Fund as set forth in Section 6.08 hereof, and (2) except as provided in the foregoing, which shall not apply when only Taxable Certificates are Outstanding, (1), all Project Account Income shall be (A) prior to delivery of the Certificate of Acceptance, retained in the Project Account, and (B) after the delivery of the Certificate of Acceptance, transferred and deposited first, into the Reserve Account to the extent funds on deposit therein are less than the Reserve Requirement, if any, and second, into the Lease Payment Fund.

(e) A separate subaccount in the Project Account may be established in connection with the issuance of Completion Certificates, which shall be subject to the provisions of this Section 6.03, unless otherwise provided in the Supplemental Trust Agreement relating thereto.

SECTION 6.04 COSTS OF ISSUANCE ACCOUNT.

(a) The Trustee shall deposit into the Costs of Issuance Account a portion of the proceeds of the Certificates in accordance with the Request and Authorization. Amounts in the Costs of Issuance Account may be disbursed for Costs of Issuance no more than twelve (12) months from the date of delivery of the related series of Certificates. Disbursements from the Costs of Issuance Account shall be made by the Trustee upon receipt of a Requisition, in substantially the form attached hereto as Exhibit E, executed in accordance with Section 3.04 of the Lease Agreement.

(b) Notwithstanding anything herein to the contrary, interest and other income earned from the investment of moneys in the Costs of Issuance Account ("Costs of Issuance Account Income") shall be transferred and deposited as follows: (1) upon the Trustee's receipt of written notice from the Corporation or the Rebate Analyst stating that Costs of Issuance Account Income exceeds the yield (as defined in Section 148(h) of the Code) on the Certificates (other than Taxable Certificates) and stating the amount of such excess yield, then (1) such Costs of Issuance Account Income constituting such excess yield shall be transferred and deposited into the Earnings Fund as set forth in Section 6.08 hereof, and (2) except as provided in the foregoing, which shall not apply when only Taxable Certificates are Outstanding, (1), all Costs of Issuance Account Income shall be (A) prior to delivery of the Certificate of Acceptance, transferred to the Project Account, and (B) after the delivery of the Certificate of Acceptance, transferred and deposited first, into the Reserve Account to the extent funds on deposit therein are less than the Reserve Requirement, and second, into the Lease Payment Fund.

(c) Upon receipt of a certificate executed by an Authorized Officer of the City stating that all Costs of Issuance relating to the Certificates have been paid or provision for payment thereof has been made, the Trustee shall transfer any amounts remaining in the Costs of Issuance Account to the Project Account and the Costs of Issuance Account shall be closed; provided however, that if a Certificate of Acceptance has heretofore been delivered by the City with respect to the Project, such remaining amounts shall be transferred to the Lease Payment Fund in accordance with Section 6.06(a) hereof and if such certificate is not received by the Trustee within six (6) months after the last date upon which funds were on deposit in the Costs of Issuance Account, the Trustee may, upon fifteen (15) days' written notice to the Corporation and the City, close the Costs of Issuance Account.

(d) Separate subaccounts in the Costs of Issuance Account may be established in connection with the issuance of Completion Certificates and Refunding Certificates, which shall be subject to the provisions of this Section 6.04, unless otherwise provided in the Supplemental Trust Agreement relating thereto.

SECTION 6.05 CAPITALIZED INTEREST ACCOUNT.

(a) The Trustee shall deposit into the Capitalized Interest Account a portion of the proceeds of the Certificates in accordance with the Request and Authorization. Funds in the Capitalized Interest Account shall be transferred to the Interest Account in the Lease Payment Fund on each Interest Payment Date in an amount necessary to pay the interest coming due on

the Certificates on such Interest Payment Dates. Such transfer shall be made on the Business Day prior to each Interest Payment Date for the Certificates until such date as there are no amounts remaining in the Capitalized Interest Account and the Capitalized Interest Account shall be closed.

(b) Notwithstanding anything herein to the contrary, interest and other income earned from the investment of moneys in the Capitalized Interest Account ("Capitalized Interest Account Income") shall be transferred and deposited as follows: upon the Trustee's receipt of written notice from the Corporation or the Rebate Analyst stating that Capitalized Interest Account Income exceeds the yield (as defined in Section 148(h) of the Code) on the Certificates and stating the amount of such excess yield, then (1) such Capitalized Interest Account Income constituting such excess yield shall be transferred and deposited into the Earnings Fund as set forth in Section 6.08 hereof, and (2) except as provided in the foregoing (1), which shall not apply when only Taxable Certificates are Outstanding, all Capitalized Interest Account Income shall be (A) prior to delivery of the Certificate of Acceptance, transferred to the Project Account, and (B) after the delivery of the Certificate of Acceptance, transferred and deposited first, into the Reserve Account to the extent funds on deposit therein are less than the Reserve Requirement, and second, into the Lease Payment Fund.

(c) A separate subaccount in the Capitalized Interest Account may be established in connection with the issuance of Completion Certificates, which shall be subject to the provisions of this Section 6.05, unless otherwise provided in the Supplemental Trust Agreement relating thereto.

SECTION 6.06 DISPOSITION OF BASIC RENT PAYMENTS; DEPOSITS TO LEASE PAYMENT FUND.

(a) Deposits of Available Revenues made by the City pursuant to the Lease Agreement with the Trustee, as assignee of the Corporation pursuant to the Lease Agreement and pursuant to the Assignment of Leases, any amounts required to be deposited into the Lease Payment Fund in accordance with Section 3.08 and Section 5.08(b) of the Lease Agreement, any amounts required to be deposited into the Lease Payment Fund in accordance with Sections 6.03(b), (c) and (d), Section 6.04 and Section 6.05 hereof, and any amounts required to be deposited into the Lease Payment Fund pursuant to Section 6.07 hereof, shall be deposited as received by the Trustee in the Lease Payment Fund in the following manner and in the following order of priority:

(i) Subject to the provisions of Section 6.05 hereof, there shall be deposited to the Interest Account from the Interest Component of Basic Lease and other amounts so deposited (including accrued interest), an amount which shall be sufficient to pay the interest becoming due on the Certificates on the next succeeding Interest Payment Date and any other amounts required to be deposited to the credit of the Lease Payment Fund. Moneys in the Interest Account shall be used to pay the interest on the Certificates as and when the same becomes due, whether by prepayment or otherwise, and for no other purpose. No further deposit need be made to the Interest Account when the moneys

therein are equal to the interest coming due on all Outstanding Certificates on the next succeeding Interest Payment Date.

(ii) There shall be deposited to the Principal Account from the Principal Component of Basic Lease and other amounts so deposited, an amount which shall be sufficient to pay the principal and the Amortization Installment becoming due on such Certificates on the next succeeding Principal Payment Date and any other amounts required to be deposited to the credit of the Lease Payment Fund. Moneys in the Principal Account shall be used to pay the principal and the Amortization Installment of the Certificates as and when the same shall mature or are prepaid, and for no other purpose. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal and the Amortization Installment coming due on all Outstanding Certificates on the next succeeding date on which principal or amortization becomes due.

(b) Whenever there has been a prepayment of Basic Rent Payments, for any reason, the Trustee shall prepare, or cause to be prepared, and transmit to the City a revised schedule of Basic Rent Payments reflecting such prepayment.

(c) Separate subaccounts in the Interest Account and Principal Account may be established in connection with the issuance of Completion Certificates and Refunding Certificates, which shall be subject to the provisions of this Section 6.06, unless otherwise provided in the Supplemental Trust Agreement relating thereto.

SECTION 6.07 RESERVE ACCOUNT.

(a) (i) [Alternative #1: Subject to Section 13.13 hereof, the Reserve Account shall be initially funded by the deposit of moneys from the proceeds of the sale of the Series 2015 Certificates [a Reserve Account Surety Bond], in a total amount which equals the Reserve Requirement as it exists on the date of issuance of the Series 2015 Certificates.]

[Alternative #2: The Reserve Account does not secure the Series 2015 Certificates. If a series of Completion Certificates or Refunding Certificates hereafter issued is intended to be secured by the Reserve Account, as evidenced by the Supplemental Trust Agreement relating to such series of Certificates, the applicable Supplement Trust Agreement will set forth the applicable Reserve Account Requirement for such series of Certificates and provisions relating to the application of funds in the Reserve Account.]

[The following provisions will be included if Alternative #1 is used]

[(ii) If a series of Completion Certificates or Refunding Certificates hereafter issued is intended to be secured by the Reserve Account, the Reserve Account shall be fully funded on the date of issuance thereof in an amount equal to the Reserve Requirement therefor and for any other Certificates Outstanding and secured by the Reserve Account in accordance herewith and the related Lease Schedule.

(iii) Separate subaccounts in the Reserve Account shall be established in the Reserve Account to distinguish Taxable Certificates from Certificates hereafter issued as Certificates the interest on which is intended to be excluded from gross income for Federal income tax purposes (referred to in this Section 6.07 as "Tax-Exempt Certificates"). Such subaccounts shall be subject to the provisions of this Section 6.07 unless otherwise provided in the Supplemental Trust Agreement relating to the series of Certificates secured thereby. Unless otherwise provided in the Supplemental Trust Agreement relating to a series of Completion Certificates or Refunding Certificates, amounts in a subaccount in the Reserve Account securing Tax-Exempt Certificates shall not be used to make payments of the Interest Component or Principal Component of Basic Rent Payments allocable to Taxable Certificates, unless the City obtains an opinion of Special Counsel permitting such monies to be applied for that purpose.

(b) If on any Payment Date, after exhausting the amounts in the Capitalized Interest Account relating to Certificates secured by the Reserve Account, the amounts in the Interest Account or the Principal Account are less than the interest, principal and Amortization Installments then due in relation to the Certificates secured by the Reserve Account, the Trustee shall transfer, from the Reserve Account (or subaccounts therein), to the Interest Account or Principal Account, an amount sufficient to make up any deficiency therein, subject to the provisions of Section 6.07(a)(iii) above. In the event of any such transfer, except subsequent to an Event of Non-Appropriation, the Trustee, shall, within five (5) days after making such transfer, provide written notice to the City of the amount and date of such transfer and the City shall, within twelve (12) months of receipt of such written notice, pay to the Trustee from Available Revenues budgeted and appropriated as Supplemental Rent, for deposit into the Reserve Account (or subaccounts therein), an amount necessary to cause the moneys in the Reserve Account (or subaccounts therein) to be equal to the Reserve Requirement applicable thereto.

(c) The Trustee is hereby authorized to accept [the initial Reserve Account Surety Bond and] at any time any [subsequent] Reserve Account Surety Bond in satisfaction of the Reserve Requirement for the Reserve Account pursuant to Section 4.03(g) of the Lease Agreement. The Insurer providing the Reserve Account Surety Bond shall be rated in one of the two highest categories by one of two nationally recognized rating agencies, or any combination thereof, at the time of deposit of the Reserve Account Surety Bond it issues. To the extent necessary to comply with this Section, the Trustee is hereby directed to take any and all actions required to draw on initial Reserve Account Surety Bond and any subsequent Reserve Account Surety Bond deposited in the Reserve Account. If a disbursement is made from a Reserve Account Surety Bond, the City shall cause the maximum limits of such Reserve Account Surety Bond to be reinstated as soon as it is able following such disbursement, from Available Revenues budgeted and appropriated as Supplemental Rent, and prior to funding any cash requirement of the Reserve Account, by depositing funds in the amount of the disbursement made under such instrument with the issuer thereof, together with interest thereon to the date of reimbursement at the rate set forth in such Reserve Account Surety Bond, but in no case greater than the maximum rate of interest permitted by law.

(d) Moneys in the Reserve Account shall only be used for the purpose of making up deficiencies in the Interest Account or Principal Account (or subaccounts therein) in the event

that moneys therein are less than the Interest Component and Principal Component of Basic Rent Payments then due on any Payment Date with respect to the Certificates secured by the Reserve Account (or subaccounts therein), subject to the provisions of Section 6.07(a)(iii) above.

(e) If on any Payment Date, the amount of all payments due and payable on the Certificates secured by the Reserve Account (or a subaccounts therein) exceeds the amount on hand in the Interest Account and the Principal Account (or subaccounts therein) relating to the Certificates secured by the Reserve Account, taking into account any transfers made from the Reserve Account (or subaccounts therein) pursuant to Sections 6.07(a) and 6.07(b) hereof, the Trustee shall apply the moneys on hand therein first, to the payment of all past due interest with respect to such Certificates secured by the Reserve Account or subaccounts therein, and, second, to the payment of that portion of the unpaid principal or Amortization Installment of such Certificates which is then past due, pro rata if necessary, in all cases subject to the provisions of Section 6.07(a)(iii) above.

(f) Whenever the moneys in the Lease Payment Fund, including the Reserve Account, shall be sufficient to pay the principal of, Amortization Installments and interest coming due on all Outstanding Certificates, moneys in the Reserve Account shall be deposited to the Interest Account and Principal Account as required to pay such Certificates, subject to the provisions of Section 6.07(a)(iii) above, and no further Basic Rent Payments shall be required under the Lease Agreement.

(g) If, after the date Certificates are prepaid pursuant to the provisions of Article V and Section 6.09 hereof, the amounts in the Reserve Account exceed the Reserve Requirement applicable thereto then in effect, adjusted to reflect such prepayment, or the Reserve Requirement is decreased for any other reason, the Trustee shall deposit such excess to the Interest Account, subject to the provisions of Section 6.07(a)(iii) above. In the event that the Trustee receives written notice from the Corporation or the Rebate Analyst stating that the amount of interest and other income earned from the investment of moneys in the Reserve Account ("Reserve Account Income") exceeds the yield (as defined in Section 148(h) of the Code) on the Tax-Exempt Certificates and stating the amount of such excess yield, then (1) such Reserve Account Income constituting such excess yield shall be transferred and deposited into the Earnings Fund as set forth in Section 6.08 hereof, and (2) except as provided in the foregoing (1), which shall not apply when only Taxable Certificates are Outstanding, all Reserve Account Income shall transferred to the Interest Account subject to the provisions of Section 6.07(a)(iii) above.]

SECTION 6.08 EARNINGS FUND.

(a) All interest and other income earned from the investment of moneys ("Investment Earnings") in (i) the Capitalized Interest Account, (ii) the Project Account, (iii) the Costs of Issuance Account, and (iv) the Reserve Account, to the extent such interest and other income earned from the investment of moneys in such accounts exceed the yield (as defined in Section 148(h) of the Code) on the Certificates (other than Taxable Certificates), shall be transferred and deposited into the Earnings Fund upon the Trustee's receipt of appropriate written notice. The Corporation or the Rebate Analyst shall provide written notice to the Trustee of the amount and

disposition of any interest and other income earned from the investment of moneys in such accounts which exceeds the yield (as defined in Section 148(h) of the Code) on the Certificates (other than Taxable Certificates).

(b) Moneys on deposit in the Earnings Fund shall be applied in the following manner:

(i) Upon receipt by the Trustee of a written notice from the Corporation or the Rebate Analyst pursuant to Section 6.14 hereof, if applicable, the Trustee shall transfer from the Earnings Fund to the Rebate Fund the amount, if any, required to be transferred to the Rebate Fund under Section 6.14 hereof; and

(ii) Promptly after making such required transfer to the Rebate Fund (or after receipt of such notification if no amount is required to be transferred), if applicable. the Trustee shall deposit the balance remaining in the Earnings Fund (A) prior to the delivery of the Certificate of Acceptance, to the Project Account, and (B) after the delivery of the Certificate of Acceptance, first to the Reserve Account to the extent funds on deposit therein are less than the Reserve Requirement; and second, to the Lease Payment Fund.

(c) At the time of deposit of Investment Earnings in the Earnings Fund, the Trustee shall report the amount of said deposit to the City.

SECTION 6.09 PREPAYMENT FUND. The Trustee shall deposit to the Prepayment Fund for prepayment of Certificates in accordance with Article V hereof (a) any amounts deposited by the City for the purpose of paying the Prepayment Price of all or a portion of such Certificates on an Optional Prepayment Date or Mandatory Prepayment Date in accordance with this Trust Agreement, and (b) any Net Proceeds required to be transferred to the Prepayment Fund pursuant to Section 5.08(c) of the Lease Agreement. Said moneys shall be set aside in the Prepayment Fund solely for the purpose of prepaying the Certificates in advance of their maturity and shall be applied to the prepayment at the applicable Prepayment Price of such Certificates being prepaid on such prepayment date. Interest on such prepaid Certificates shall be paid from the Interest Account, except to the extent moneys for payment of interest were deposited to the Prepayment Fund, in which case it shall be paid from the Prepayment Fund.

SECTION 6.10 SUPPLEMENTAL RENT FUND. There shall be deposited to the Supplemental Rent Fund all payments made by the City pursuant to Section 4.03(f) of the Lease Agreement. Amounts deposited shall be deposited to the Supplemental Rent Fund on each Principal Payment Date and shall be applied on each Principal Payment Date as follows (provided, however that notwithstanding anything to the contrary herein the payment referred to in (b) may be paid by the City directly to the Corporation):

(a) to the Trustee an annual fee equal to $1,250.00 for its services under this Trust Agreement, which shall be in addition to any other costs and expenses due to the Trustee hereunder and under the Lease Agreement; and

(b) to the Corporation, $1,000.00 for its administrative expenses, including annual corporate filing fees payable to the State of Florida and legal fees of the Corporation; and

(c) to such other Persons in payment of such other amounts as the Corporation or City may direct in accordance with Section 4.03(f) of the Lease Agreement.

SECTION 6.11 DEPOSIT AND INVESTMENT OF MONEYS IN ACCOUNTS. All moneys held by the Trustee in any of the funds or accounts established pursuant to this Trust Agreement shall be deposited or invested in Permitted Investments. The City, prior to termination of the Lease Agreement, and the Corporation thereafter, each through its Authorized Officer, shall provide the Trustee written instructions with respect to investment of the moneys held hereunder in Permitted Investments and the Trustee shall make investments in accordance with said instructions. In the event the City or the Corporation, as the case may be, does not provide the Trustee with written instructions with respect to investments, the Trustee shall have no duty to keep such funds fully invested. The Trustee may conclusively rely upon the Corporation's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such investments. Notwithstanding anything to the contrary herein, in no event shall the Trustee have any liability for any loss from any directed investments. Although the City and the Corporation each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the City and the Corporation hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

SECTION 6.12 EARNINGS ON FUNDS AND ACCOUNTS. Except as otherwise provided herein, investment earnings on the funds and accounts held hereunder shall be retained in such fund or account.

SECTION 6.13 CREDIT AGAINST LEASE PAYMENTS. Not earlier than thirty (30) days and not later than fifteen (15) days prior to each Payment Date, the Trustee shall report to the City the amount of the credit against Basic Rent Payments available to the City under the Lease Agreement. Such credit shall be an amount equal to the sum of (a) the amount of interest and other income deposited in the Interest Account pursuant to Section 6.12 hereof since the date of the previous report made by the Trustee pursuant to this Section, (b) the amount of moneys, if any, transferred to the Interest Account and Principal Account pursuant to Section 6.03, Section 6.04 and Section 6.05 hereof since the date of the previous report made by the Trustee pursuant to this Section, (c) the amount of moneys, if any, transferred to the Interest Account pursuant to Section 6.07(f) hereof since the date of the previous report made by the Trustee pursuant to this Section, plus (d) the amount, if any, on deposit in the Principal Account and the Interest Account on the date of the report made by the Trustee pursuant to this Section which is not derived from the sources described in clauses (a), (b) and (c) above. In addition to the credit referenced in the preceding sentence, the Trustee and the Corporation acknowledge that there shall be applied as a credit against Basic Rent Payments payable on a Payment Date an amount equal to the amount then on deposit in the Interest Account representing accrued interest

and that the amount in the Reserve Account shall be applied as a credit against the last Basic Rent Payments as provided in Section 6.07(f) hereof. In the event that the total amount of the credit exceeds the Basic Rent Payment due on the Payment Date following said report, the amount of said excess shall be applied as a credit against the next subsequent Basic Rent Payments.

SECTION 6.14 APPLICATION OF MONEYS IN THE REBATE FUND.

(a) At the written direction of the Corporation, the Trustee shall pay to the United States, out of amounts in the Rebate Fund, the rebate requirement, in the amounts and at the times described in each Tax Regulatory Agreement or any letter of instructions given in connection therewith.

(b) In the event that, prior to the time of any required payment out of the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the City shall deposit with the Trustee for application to the Rebate Fund an amount equal to such deficiency in the Rebate Fund prior to the time such payment is due. Each payment required to be made pursuant to this subsection shall be made in the manner described in each Tax Regulatory Agreement or any letter of instructions given in connection therewith.

(c) Any Tax Regulatory Agreement shall be amended from time to time as, in the opinion of Special Counsel, shall be necessary to reflect the current status of the Code in regard to the rebate requirement.

(d) Any funds remaining in the Rebate Fund, after prepayment and payment of all of the Certificates and any amounts required to be paid to the United States, or provision made therefor satisfactory to the Trustee, including accrued interest and payment of any applicable fees or other amounts to the Trustee and satisfaction of the rebate requirement described in the Tax Regulatory Agreement, shall be withdrawn by the Trustee and remitted to the City.

(e) The City and the Corporation shall execute a Tax Regulatory Agreement in connection with each series of Certificates (other than Taxable Certificates) relating to the rebate requirement described herein, unless Special Counsel determines such Tax Regulatory Agreement is unnecessary.

(f) No deposits to or withdrawals from the Rebate Fund shall be required in connection with Taxable Certificates.

SECTION 6.15 METHOD OF VALUATION AND FREQUENCY OF VALUATION. In computing the amount in any fund or account, Permitted Investments in which money in such fund or account is invested shall be valued at one hundred per centum (100%) of the principal or face amount thereof; provided, that Permitted Investments in which money in the Reserve Account is invested shall be valued at fair market value and marked to market at least once per year on October 1, except as may otherwise be required in Section 13.13 hereof. With respect to all funds and accounts, valuation shall occur annually; provided that, in the event of a withdrawal from the Reserve Account, if funded, the Reserve Account shall be

valued immediately after such withdrawal and monthly thereafter until the amount on deposit in the Reserve Account equals the Reserve Requirement. If amounts on deposit in the Reserve Account, if any, shall be less than the applicable Reserve Requirement, if any, as a result of a failure by the City to make any Basic Rent Payments, such deficiency shall be made up immediately from first available moneys after required deposits to the Lease Payment Fund.

SECTION 6.16 INVESTMENT OF AMOUNTS REPRESENTING ACCRUED INTEREST AND CAPITALIZED INTEREST. Subject to Section 6.11, all amounts representing accrued and capitalized interest shall be held by the Trustee, pledged solely to the payment of Interest Portions of the Basic Rent Payments under the Lease-Purchase Agreement in accordance with the provisions hereof and invested at the written direction of an Authorized Officer of the Corporation only in Permitted Investments maturing at such time and in such amounts as are necessary to match the interest payments to which they are pledged.

SECTION 6.17 NO UNAUTHORIZED TRANSFERS. No amount shall be withdrawn or transferred from or paid out of any fund or account except as expressly provided in this Trust Agreement.

ARTICLE VII
GENERAL COVENANTS AND REPRESENTATIONS

SECTION 7.01 CITY TO PERFORM AGREEMENTS. The City covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Ground Lease and the Lease Agreement to the extent so imposed, except to the extent that such obligations and duties have been assigned to other parties pursuant to the Ground Lease, the Lease Agreement and this Trust Agreement.

SECTION 7.02 CORPORATION TO PERFORM AGREEMENTS. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Ground Lease, the Lease Agreement, and the Assignment of Leases, to the extent so imposed.

SECTION 7.03 NO OBLIGATION WITH RESPECT TO PERFORMANCE BY TRUSTEE. The Corporation and the City shall not have any obligation or liability to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

SECTION 7.04 NO LIABILITY TO OWNERS FOR PAYMENT. Except as provided in this Trust Agreement, neither the Corporation nor the Trustee shall have any obligation or liability to the Owners of the Certificates with respect to the payment of the Lease Payments by the City when due, or with respect to the performance by the City of any other covenants made by it in the Lease Agreement.

SECTION 7.05 COVENANT NOT TO IMPAIR TAX STATUS OF CERTIFICATES. Prior to an Event of Default or an Event of Non-Appropriation, neither the

Corporation nor the City shall take nor permit nor suffer to be taken nor fail to take any action within their control, or direct the Trustee to take or fail to take any action, which action or failure to act would impair the exclusion, if applicable, from gross income for federal income tax purposes of the Interest Component of the Basic Rent Payments relating to Certificates (other than Taxable Certificates), including the calculation and payment of any rebate necessary to preserve the exclusion. Prior to an Event of Default or an Event of Non-Appropriation, neither the Corporation nor the City shall permit or direct the investment of any proceeds of the Certificates or the Lease Payments by the Trustee in such a manner that would result in the Certificates (other than Taxable Certificates) being characterized as "arbitrage bonds" under Section 148 of the Code. Prior to an Event of Default or an Event of Non-Appropriation, the Corporation and the City will comply with the provisions of the arbitrage certificate and the exhibits thereto executed by the City which relates to the Certificates (other than Taxable Certificates). This Agreement shall not be construed to constrain in any manner the ability of the Trustee to sublease or otherwise dispose of the Parking Garage Land and the Parking Garage following an Event of a Default or Event of Non-Appropriation under the Lease Agreement, subject to the requirements of the Ground Lease and the Lease Agreement, including, without limitation, Section 5 of the Ground Lease and Sections 4.07 and Article VII of the Lease Agreement which require, among other matters, that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large throughout the Ground Lease Term. With respect to the obligations of the Trustee pursuant to this Section, the Trustee shall be liable only as a result of negligence or willful misconduct.

SECTION 7.06 DIRECTORS, MEMBERS, OFFICERS AND EMPLOYEES OF TRUSTEE, CORPORATION, AND CITY EXEMPT FROM PERSONAL LIABILITY. No recourse shall be had for the obligations specified hereunder, under the Certificates or under the Lease Agreement or for any claim based hereon or thereon or upon any representation, obligation, covenant or agreement in this Trust Agreement or the Certificates or the Lease Agreement against any past, present or future officer, vendor, employee, director or agent of the Trustee, the Corporation, or the City as such, either directly or through the Trustee, the Corporation, or the City, or any successor thereto under any statute or rule of law or equity, constitution or by the enforcement or any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Trust Agreement, the Ground Lease, the Lease Agreement and the issuance of the Certificates.

SECTION 7.07 CORPORATION OBLIGATIONS FOR PROJECT.

(a) The Corporation holds a leasehold interest to the Land and the Project, subject to the rights of the City under the Lease Agreement. In consideration of the issuance of the Certificates, the Corporation agrees that if an Event of Default described in Section 8.01(d) hereof or an Event of Non-Appropriation occurs, it shall, at the request of the Trustee, take all actions necessary in order to fully transfer its leasehold interest in the Parking Garage Land and the Parking Garage to the Trustee. In accordance with the terms of Section 8.03 hereof and except as provided in Section 7.03 of the Lease Agreement, the Trustee may exercise such remedies with respect to the leasehold interest if an Event of Default described in Section 8.01(d) or an Event of Non-Appropriation occurs. The proceeds from the exercise of any such remedies

shall be used as provided in Section 8.04 hereof. If the City relinquishes possession of the Parking Garage Land and the Parking Garage pursuant to the Lease Agreement subsequent to an Event of Default described in Section 8.01(d) or an Event of Non-Appropriation hereof, the Corporation hereby agrees that the Trustee may, subject to the provisions of Section 9.02 hereof, take possession of the Parking Garage Land and the Parking Garage and shall have complete authority over the disposition of the Parking Garage Land and the Parking Garage for the remaining term of the Ground Lease in accordance with the terms hereof and of the Ground Lease and the Lease Agreement, including that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large throughout the Ground Lease Term. The Corporation will promptly comply with all directions of the Trustee in regard to such disposition. As a condition to the acceptance by the Trustee of possession of the Parking Garage Land and the Parking Garage, the Trustee shall have the right to receive from the City such assurances, reports and opinions as to the absence of hazardous substances and such other environmental matters with respect to the Parking Garage Land and the Parking Garage as the Trustee may reasonably request.

(b) The City and Corporation agree that they shall not place any lien or encumbrance on the Land and the Project, except Permitted Encumbrances. In addition, the Corporation shall not join in or consent to the re-letting or other disposition of the Parking Garage Land and the Parking Garage, or any portion thereof, except as may be directed by the Trustee and permitted by the terms of the Lease Agreement or as shall be required by the terms of the Lease Agreement.

SECTION 7.08 PROJECT ESSENTIAL. The City represents that it has an immediate need for the Project and expects to make immediate use of the Project, which need is not temporary or expected to diminish during the Maximum Lease Term.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01 EVENTS OF DEFAULT. Each of the following events is hereby declared an Event of Default under the Trust Agreement

(a) Payment of any installment of interest on any Certificate shall not be made when the same shall become due and payable; or

(b) Payment of the principal, Amortization Installment or the Prepayment Premium, if any, of any Certificate shall not be made when the same shall become due and payable, whether at maturity or by proceedings for mandatory prepayment or otherwise; or

(c) Default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Trust Agreement or any Supplemental Trust Agreement and such default shall continue for thirty (30) days after receipt by the City and the Corporation of a written notice from the Trustee specifying such default and requiring the same to be remedied unless the Trustee has agreed in writing to an extension of such time prior

to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City or the Corporation, or its assignee, within the applicable period and diligently pursued until the default is corrected; or

(d) An "Event of Default" shall have occurred under the Lease Agreement, and it shall not have been remedied or waived.

SECTION 8.02 ACCELERATION OF MATURITIES. Upon the happening and continuance of any Event of Default specified in Section 8.01 hereof, or an Event of Non-Appropriation specified in Section 7.01 of the Lease Agreement, the Trustee, may, and shall, upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding, by notice in writing to the City and the Corporation, shall declare the principal of all Certificates then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Certificates or in this Trust Agreement to the contrary notwithstanding; provided, further, that if at any time after the principal of the Certificates shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Trust Agreement, moneys shall have accumulated in or shall have been paid into the Lease Payment Fund sufficient to pay the principal of all matured Certificates and all arrears of interest, if any, upon all Certificates then Outstanding (except the principal of any Certificate not then due and payable by its terms and the interest accrued on such since the last Interest Payment Date), and the charges, compensations, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the City under the Lease Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Certificates or in this Trust Agreement (other than a default in the payment of the principal of such Certificates then due only because of a declaration under this Section) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates not then due and payable by their terms (Certificates then due and payable only because of a declaration under this Section shall not be deemed to be due and payable by their terms) and then Outstanding, shall, by written notice to the City and the Corporation, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default hereunder or impair any right consequent thereon.

SECTION 8.03 ENFORCEMENT OF REMEDIES.

(a) Upon the happening and continuance of any Event of Default specified in Section 8.01 hereof, or an Event of Non-Appropriation specified in Section 7.01 of the Lease Agreement, then and in every such case the Trustee may, and shall, upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding, proceed, subject to the provisions of Section 9.02 of this Trust Agreement, to protect and enforce its rights and the rights of the Owners under the laws of the State, under this Trust Agreement, the Ground

Lease or the Lease Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee, shall deem most effectual to protect and enforce such rights. The Trustee may also exercise all remedies it or the Corporation may have under law and under the Trust Agreement, the Ground Lease and the Lease Agreement.

(b) In the enforcement of any remedy under this Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default hereunder becoming and remaining due from the City for principal, interest or otherwise under any of the provisions of this Trust Agreement or of the Certificates, together with interest on overdue payments of principal at the rate of interest equal to the then current weighted average interest rate of the Outstanding Certificates and all reasonable costs and expenses of collection and of all proceedings hereunder, without prejudice to any other right or remedy of the Trustee or of the Owners and to recover and enforce any judgment or decree against the City, but solely as provided herein, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

(c) As provided in Section 7.07 hereof and subject to the limitations thereof, the Trustee, upon an Event of Default described in Section 8.01(d) hereof or an Event of Non-Appropriation, may take possession of the Parking Garage Land and the Parking Garage, and it shall, if the City relinquishes possession of the Parking Garage Land and the Parking Garage pursuant to the Lease Agreement subsequent to an Event of Default described in Section 8.01(d) hereof, take possession of the Parking Garage Land and the Parking Garage, in accordance with the provisions of Section 7.07 hereof. Upon taking possession of the Land and the Project, the Trustee is authorized to re-let or otherwise dispose of the Corporation's interest in the Parking Garage Land and the Parking Garage, or any portion thereof, for the benefit of the Owners of the Certificates, subject to the terms and conditions of the Ground Lease and the Lease Agreement, including that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large.

(d) When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

SECTION 8.04 PRO-RATA APPLICATION OF FUNDS.

(a) Anything in this Trust Agreement to the contrary notwithstanding, if at any time the money in the Lease Payment Fund shall not be sufficient to pay the interest on or the principal of the Certificates as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 8.02 hereof), the Trustee,

subsequent to payment of all reasonable costs and expenses relating to collection of such moneys and reasonable fees, costs and expenses of the Trustee including reasonable legal fees, costs and expenses, shall deposit all moneys derived from the re-letting or other disposition of the Parking Garage Land and the Parking Garage as permitted by the Ground Lease and Lease Agreement, including moneys and damages collected in connection therewith, and all moneys in the Pledged Funds (amounts in the Project Account may, at the discretion of the Trustee, be retained in such account to continue payment of the acquisition and construction of the Project) into a special account established for the sole benefit of the Owners of the Certificates and shall apply moneys in such special account as follows:

FIRST: to the payment to the Persons entitled thereto of all installments of interest on such Certificates then due and payable in the order in which such installments became due and payable 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 except as to any difference in the respective rates of interest specified in such Certificates;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any Certificates that shall have become due and payable whether at maturity or upon acceleration, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Certificates due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference;

THIRD: to the payment of the interest on and the principal of such Certificates, to the purchase and retirement of such Certificates, and to the prepayment of such Certificates, all in accordance with the provisions hereof; and

FOURTH: to the payment of any surplus moneys to the City.

(b) Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future; the setting aside of such money, in trust for the proper purpose, shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Corporation, the City, to any Owner or to any other Person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give notice by first class mail,

postage prepaid, to all Owners of the fixing of any such date, and shall not be required to make payment to the Owner of any Certificates until such Certificates shall be surrendered to the Trustee for cancellation if fully paid.

SECTION 8.05 EFFECT OF DISCONTINUANCE OF PROCEEDINGS. If any proceeding taken by the Trustee or Owners on account of any Event of Default hereunder shall have been discontinued or abandoned for any reason, then and in every such case, the Corporation, the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

SECTION 8.06 CONTROL OF PROCEEDINGS BY OWNERS. The Owners of a majority in aggregate principal amount of the Certificates then Outstanding shall have the right, subject to the provisions of Section 9.02 of this Trust Agreement, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in regard to such Certificates, provided that such direction shall be in accordance with law and the provisions of this Trust Agreement and the Lease Agreement.

SECTION 8.07 RESTRICTIONS UPON ACTIONS BY INDIVIDUAL OWNERS. Except as provided in Section 8.13 of this Trust Agreement, no Owner shall have any right to institute any suit, action or proceeding in equity or at law on any Certificate or for the execution of any trust hereunder or for any other remedy hereunder unless such Owner previously shall have given to the Trustee written notice of the Event of Default or Event of Non-Appropriation on account of which such suit, action or proceeding is to be instituted, and unless also the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding shall have made a written request of the Trustee after the right to exercise such powers or right of action as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceedings in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Trust Agreement or to any other remedy hereunder. It is understood and intended that, except as otherwise above provided, no one or more Owners shall have any right in any manner whatsoever by his or their action to affect, disturb or prejudice the security of this Trust Agreement, or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners and that any individual rights of action or other right given to one or more of such Owners by law are restricted by this Trust Agreement to the rights and remedies herein provided.

SECTION 8.08 APPOINTMENT OF A RECEIVER. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Trust Agreement, the Trustee shall

be entitled to the appointment of a receiver or receivers for the Project with such powers as the court making such appointments shall confer.

SECTION 8.09 ENFORCEMENT OF RIGHTS OF ACTION. All rights of action (including the right to file proof of claim) under this Trust Agreement or under any Certificates may be enforced by the Trustee without the possession of any Certificates or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners hereby secured, and any recovery of judgment shall be for the equal benefit of the Owners.

SECTION 8.10 NO REMEDY EXCLUSIVE. No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies herein provided, 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.

SECTION 8.11 WAIVERS. No delay or omission by the Trustee or of any Owner in the exercise of any right or power occurring upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver of any such Event of Default hereunder or any acquiescence therein; and every power or remedy given by this Trust Agreement to the Trustee and to the Owners may be exercised from time to time and as often as may be deemed expedient. The Trustee may, and upon written request of the Owners of not less than a majority in principal amount of the Certificates then Outstanding, shall, waive any Event of Default which shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Trust Agreement or before the completion of the enforcement of any rights of the Trustee hereunder, but such waiver shall not waive any subsequent Event of Default hereunder or impair any rights or remedies consequent thereon.

SECTION 8.12 NOTICE OF DEFAULT. The Trustee shall mail to all Owners, at their addresses as they appear on the Certificate Register, written notice of the occurrence of any Event of Default set forth in Section 8.01 hereof, or an Event of Non-Appropriation specified in Section 7.01 of the Lease Agreement, within thirty (30) days after the Trustee shall have notice of the same; provided that, except upon the happening of an Event of Default specified in clauses (a) and (b) of Section 8.01 of this Trust Agreement, the Trustee may withhold such notice to the Owners, if in its opinion such withholding is in the interest of the Owners; and provided, further, that the Trustee shall not be subject to any liability to any Owner by reason of its failure to mail any such notice.

SECTION 8.13 RIGHT TO ENFORCE PAYMENT OF CERTIFICATES UNIMPAIRED. If the Trustee shall fail to take actions required of it pursuant to this Article, nothing in this Article shall affect or impair the right of any Owner to enforce the payment of the principal of and interest on his Certificate or the obligation to pay the principal of and interest on each Certificate to the Owner thereof at the time and place in said Certificate expressed.

ARTICLE IX
CONCERNING THE TRUSTEE

SECTION 9.01 ACCEPTANCE OF DUTIES.

(a) The Trustee by execution hereof accepts and agrees to fulfill the trusts imposed upon it by this Trust Agreement, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Trust Agreement. Prior to the occurrence of any Event of Default hereunder or Event of Non-Appropriation and after the curing of any Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Trust Agreement. During the existence of any such Event of Default that has not been cured or upon the Event of Non-Appropriation, the Trustee shall exercise such of the rights and powers vested in it by this Trust Agreement, and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) No provision of this Trust Agreement, any Certificate, the Ground Lease, the Lease Agreement, or the Assignment of Leases shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) Unless an Event of Default shall have occurred and be continuing and following an Event of Non-Appropriation:

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement, the Ground Lease, the Lease Agreement, and the Assignment of Leases, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement, the Ground Lease, the Lease Agreement, and the Assignment of Leases, and no implied covenants or obligations shall be read into this Trust Agreement, the Ground Lease, the Lease Agreement, or the Assignment of Leases against the Trustee; and

(B) the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it by the City and the Corporation conforming to the requirements of this Trust Agreement, the Ground Lease, the Lease Agreement, and the Assignment of Leases,

(ii) At all times, regardless of whether or not any such Event of Default or Event of Non-Appropriation shall exist:

(A) the Trustee shall not be liable for any error of judgment made by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(B) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners as provided in Article VIII hereof, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under this Trust Agreement, the Ground Lease and the Lease Agreement;

(C) the Trustee may consult with counsel and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(D) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty;

(E) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Certificates;

(F) The Trustee shall have no duty to review or analyze any financial statements or reports delivered to it by the City or the Corporation or to verify the accuracy thereof and shall hold such financial statements and reports solely as a repository for the benefit of the Owners; the Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner; and

(G) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture, the Lease Agreement or any other agreement relating to the Certificates arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances; and

(iii) None of the provisions contained in this Trust Agreement, the Ground Lease, the Lease Agreement, and the Assignment of Leases as applicable shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

SECTION 9.02 INDEMNIFICATION OF TRUSTEE AS CONDITION FOR REMEDIAL ACTION. The Trustee shall be under no obligation to institute any suit or to take any remedial proceeding in the Event of a Default under this Trust Agreement or an Event of Non-Appropriation or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its reasonable satisfaction against any and all reasonable costs, expenses, outlays and reasonable counsel fees, costs and expenses and other reasonable disbursements, and against all liability which may reasonably arise out of the remedial proceeding proposed to be taken, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances. The Trustee nevertheless may, in its sole-discretion, but is not required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Trustee shall be entitled to reimbursement from any money in its possession under the provisions of this Trust Agreement and shall be entitled to a preference therefor over any Certificates Outstanding hereunder.

SECTION 9.03 LIMITATIONS ON OBLIGATIONS AND RESPONSIBILITIES OF TRUSTEE. The Trustee shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the City or the Corporation, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts by its execution of this Trust Agreement, the Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Trust Agreement, or in respect of the validity of Certificates or the due execution or issuance thereof. The Trustee shall be under no obligation to see that any duties herein imposed upon the Corporation, the City, any depositary other than a Trustee as depositary, or any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

SECTION 9.04 TRUSTEE NOT LIABLE FOR FAILURE OF CORPORATION OR CITY TO ACT. The Trustee shall not be liable or responsible because of the failure of the Corporation or the City or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Corporation or the City or because of the loss of any money arising through the insolvency or the act or default or omission of any depositary other than a Trustee depositary in which such money shall have been deposited under the provisions of this Trust Agreement. The Trustee shall not be responsible for the application of any of the proceeds of Certificates or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Trust Agreement. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 9.05 COMPENSATION AND INDEMNIFICATION OF TRUSTEE. Subject to the provisions of any contract between the Corporation, the City and the Trustee relating to the compensation of the Trustee, the Corporation shall pay or cause the City to pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder and shall, to the extent permitted by applicable law, indemnify and save the Trustee and its officers, directors and employees harmless against any liabilities that they may incur in the proper exercise and performance of the Trustee's powers and duties hereunder and under the Lease Agreement or any other document relating to the Certificates. The foregoing indemnifications provided by the Corporation shall survive the termination of this Indenture, the payment in full of the Certificates or the sooner resignation or removal of the Trustee and shall inure to the benefit of the Trustee's successors and assigns. During the continuance of an Event of Default referred to in Section 8.01(a) or (b) or an Event of Non-Appropriation, or the Trustee shall have a first charge against the Trust Estate for its fees and expenses.

SECTION 9.06 STATEMENTS FROM TRUSTEE.

(a) It shall be the duty of the Trustee, on a quarterly basis, to file with the Corporation and City a statement setting forth in respect of the preceding one-month period:

(i) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund or account held by it under the provisions of this Trust Agreement,

(ii) the amount on deposit with it at the end of such period in each such fund or account,

(iii) a brief description of all obligations held by it as an investment of money in each such fund or account,

(iv) the amount applied to the purchase or prepayment of Certificates under the provisions of Article V of this Trust Agreement and a description of the Certificates or portions thereof so purchased or prepaid, and

(v) any other information that an Authorized Officer of the City may reasonably request in writing.

(b) In addition, on each anniversary date of the issuance of the Certificates, the Trustee shall file with the Corporation the information in its possession necessary to determine the rebatable arbitrage as set forth in the Tax Regulatory Agreement.

(c) All records and files pertaining to Certificates, the Corporation and the City in the custody of the Trustee shall be open at all reasonable times during the normal business hours of the Trustee to the inspection of the City, the Corporation and their agents and representatives.

SECTION 9.07 TRUSTEE MAY RELY ON CERTIFICATES. If at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Trust Agreement provides for permitting or taking any action, the Trustee may conclusively rely upon any certificate required or permitted to be filed with it under the provisions of this Trust Agreement, and any such certificate shall be evidence of such fact or protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. The Trustee shall conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of independent counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

SECTION 9.08 TRUSTEE MAY PAY TAXES AND ASSESSMENTS. It is the expectation of the Parties hereto that the Land and the Project shall remain exempt from real property taxes throughout the term hereof. In the event that such taxes shall become payable and the Corporation or the City shall fail to pay or cause to be paid any tax, assessment or governmental or other charge payable on the part of the City or the Corporation relating to the Lease Agreement to the extent, if any, that the City or the Corporation may be deemed by the Trustee liable for same, and the Trustee has received notice of foreclosure or sale of tax certificates with respect to such taxes, assessments, governmental or other charges, the Trustee, subject to Section 9.01(b)(iii) hereof, may pay such tax, assessment or governmental charge (unless such tax, assessment or governmental charge is being contested in accordance with Section 5.09 of the Lease Agreement), without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid upon demand by the Trustee from funds made available by the City, but the Trustee shall be under no obligation to make any such payment from sources provided in the Trust Agreement unless it shall have available or be provided with adequate funds for the purpose of such payment.

SECTION 9.09 CERTAIN RIGHTS OF THE TRUSTEE. Subject to the provisions of Section 9.01 hereof, the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and shall not be liable for any negligence or willful misconduct or any such agent or attorney appointed with due care.

SECTION 9.10 RESIGNATION AND REMOVAL OF TRUSTEE SUBJECT TO APPOINTMENT OF SUCCESSOR. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.13.

SECTION 9.11 RESIGNATION OF TRUSTEE. Subject to the provisions of Section 9.10, the Trustee may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the City and the Corporation, and mailed, postage prepaid, to each Owner, not less than sixty (60) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if

such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof. No resignation shall take effect until a successor Trustee has been appointed pursuant to the terms hereof.

SECTION 9.12 REMOVAL OF TRUSTEE.

(a) The Trustee may be removed at any time by the Corporation (provided an Event of Default or an Event of Non-Appropriation has not occurred and remains uncured), or by an instrument or concurrent instruments in writing, executed by the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding and filed with the City, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A photostatic copy of any instrument or instruments filed with the City under the provisions of this paragraph, duly certified by an Authorized Representative of the City as having been received by the City, shall be delivered promptly to the Trustee.

(b) The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any material provisions of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Certificates then Outstanding.

(c) The removal of a Trustee shall not become effective until a successor Trustee has been appointed pursuant to the terms hereof.

SECTION 9.13 APPOINTMENT OF SUCCESSOR TRUSTEE.

(a) If at any time hereafter the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or commission, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the Corporation shall promptly appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee shall sell or assign substantially all of its corporate trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust City of the Trustee is required by operation of law, provided that such vendee, assignee or transferee is (i) a bank or trust company which is duly authorized to exercise corporate trust powers in the State and subject to examination by federal or State authority, (ii) of good standing, and (iii) having, or its parent having, a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars ($50,000,000). The Corporation shall mail notice of any such appointment made by it, postage prepaid, to all Owners.

(b) At any time within one (1) year after any such vacancy shall have occurred, the Owners of not less than twenty-five percent (25%) in principal amount of Certificates then Outstanding, by an instrument or concurrent instruments in writing, executed by such Owners and filed with the Corporation, may nominate a successor Trustee, which the Corporation shall appoint and which shall supersede any Trustee theretofore appointed by the Corporation. Photostatic copies, duly certified by the Authorized Officer of the Corporation as having been

received by the Corporation, of each such instrument shall be delivered promptly by the City to the predecessor Trustee and to the Trustee so appointed by the Owners.

(c) If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within sixty (60) days of the occurrence of a vacancy in the office of the Trustee, any Owner hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(d) Any successor Trustee hereafter appointed shall be (i) a bank or trust company which is duly authorized to exercise corporate trust powers in the State and subject to examination by federal or State authority, (ii) of good standing, and (iii) having, or its parent having, a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars ($50,000,000).

SECTION 9.14 VESTING OF DUTIES IN SUCCESSOR TRUSTEE. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Corporation, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor; but such predecessor shall nevertheless, on the written request of its successor or of the Corporation and upon payment of the expenses, charges and other disbursements of such predecessor that are payable pursuant to the provisions of Section 9.05 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities and powers of such predecessor hereunder; and every predecessor Trustee shall deliver all property and money held by it hereunder to its successor. Should any instrument in writing from the Corporation be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall and will, on request, be executed, acknowledged and delivered by the Corporation.

ARTICLE X
EXECUTION OF INSTRUMENTS BY OWNERS, PROOF OF OWNERSHIP OF CERTIFICATES

SECTION 10.01 EXECUTION OF INSTRUMENTS BY OWNERS.

(a) Any request, direction, consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by any Owner may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement and shall be conclusive in favor of the Trustee, the City and the Corporation with regard to any action taken by either under such instrument if made in the following manner:

(i) The fact and date of the execution by any Person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a Person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(ii) The ownership of Certificates shall be proved by the registration books kept under the provisions of this Trust Agreement.

(b) Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of any Owner shall bind every future Owner of the same Certificate in respect of anything done by the Trustee in pursuance of such request or consent.

(c) Notwithstanding any of the foregoing provisions of this Section, the Trustee shall not be required to recognize any Person as an Owner or to take any action at his request unless such Certificates shall be deposited with it.

ARTICLE XI
SUPPLEMENTAL TRUST AGREEMENTS; AMENDMENT OF FINANCING DOCUMENTS

SECTION 11.01 SUPPLEMENTAL TRUST AGREEMENTS AND MODIFICATION OF RELATED CERTIFICATE DOCUMENTS WITHOUT CONSENT OF OWNERS.

(a) Subject to Section 13.13 hereof, the Corporation, the City and the Trustee, from time to time and at any time, may enter into Supplemental Trust Agreements and modifications and amendments of the Related Certificate Documents, without the consent of the Owners of the Certificates, for the following purposes.

(b) To cure any ambiguity or formal defect or omission, to correct or supplement any provision herein or in any of the Related Certificate Documents that may be inconsistent with any other provision herein or in any of the Related Certificate Documents, to make any other provisions with respect to matters or questions arising under this Trust Agreement or in any of the Related Certificate Documents, or to modify, alter, amend, add to or rescind, in any particular, any of the terms or provisions contained in this Trust Agreement or in any of the Related Certificate Documents; provided, that any such modification, alteration, amendment, addition or replacement does not materially adversely affect the interests of the Owners, or

(c) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners or the Trustee, or

(d) To add to the provisions of this Trust Agreement or any of the Related Certificate Documents other conditions, limitations and restrictions thereafter to be observed, or

(e) To add to the covenants and agreements of the Corporation or the City in this Trust Agreement or in any of the Related Certificate Documents, other covenants and agreements thereafter to be observed by the Corporation or the City or to surrender any right or power herein reserved to or conferred upon the Corporation or the City, or

(f) To permit the qualification of this Trust Agreement under any federal statute now or hereafter in effect or under any state Blue Sky law, and, in connection therewith, if the Corporation and the City so determine, to add to this Trust Agreement, any Supplemental Trust Agreement or any of the Related Certificate Documents such other terms, conditions and provisions as may be permitted or required by such federal statute or Blue Sky law, or

(g) To provide for the issuance of Taxable Certificates or for the issuance of Certificates in bearer form, or

(h) To provide for the issuance of Completion Certificates and Refunding Certificates, or

(i) To make any other modifications hereto or thereto which in the opinion of the Trustee, who may conclusively rely upon a written opinion of Special Counsel, shall not materially adversely affect the Owners.

SECTION 11.02 MODIFICATION OF TRUST AGREEMENT AND RELATED DOCUMENTS WITH CONSENT OF OWNERS.

(a) Subject to the terms and provisions contained in this Section and in Section 13.13 hereof, and not otherwise, the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding shall have the right, from time to time, anything contained in this Trust Agreement or any of the Related Certificate Documents to the contrary notwithstanding, to consent to and approve the execution by the Corporation, the City and the Trustee of such Supplemental Trust Agreement or such modification of or amendment to any of the Related Certificate Documents as shall be deemed necessary or desirable by the Corporation and the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement or such Related Certificate Documents; provided, however, that nothing herein contained shall permit, or be construed as permitting (i) an extension of the maturity of the principal of or the interest on any Certificates issued hereunder, or (ii) a reduction in the principal amount of any Certificates or the Prepayment Premium or the rate of interest thereon, or (iii) a preference or priority of any Certificate over any other Certificate, except as provided herein, or (iv) a reduction in the aggregate principal amount of Certificates required for consent to such Supplemental Trust

Agreement without the consent of the Owners of all of the Certificates then Outstanding. For purposes of making amendments made pursuant to this Section 11.02, Owners of Certificates which will no longer be Outstanding at the time the Supplemental Trust Agreement or modification of or amendment to the Related Certificate Document takes effect shall not have any rights of consent hereunder. Nothing contained in this Section 11.02, however, shall be construed as making necessary the approval by the Owners of the adoption and acceptance of any Supplemental Trust Agreement or any modification of or amendment to any of the Related Certificate Documents as authorized in Sections 11.01 and, except as to those matters that require the consent of the Owners of all Certificates then Outstanding, 13.13 hereof.

(b) Subject to Section 13.13 hereof, if at any time the Corporation and the City shall request the Trustee to enter into any Supplemental Trust Agreement or any modification of or amendment to any of the Related Certificate Documents pursuant to this Section, the Trustee shall, at the expense of the City, cause notice of the proposed execution of such Supplemental Trust Agreement and proposed modification of and amendment to the Related Certificate Documents to be mailed, postage prepaid, to all affected Owners, and to each rating agency which shall rate the Certificates. Such notice shall briefly set forth the nature of the proposed Supplemental Trust Agreement and proposed modification of and amendment to the Related Certificate Documents and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such Supplemental Trust Agreement and proposed modification of and amendment to the Related Certificate Documents when approved and consented to as provided in this Section.

(c) Subject to Section 13.13 hereof, whenever, at any time within three years after the date of the mailing of such notice, the Corporation or the City shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority of the aggregate principal amount of Certificates then Outstanding as required hereunder, which instrument or instruments shall refer to the proposed Supplemental Trust Agreement and proposed modification of and amendment to the Related Certificate Documents described in such notice and shall, specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee may execute such Supplemental Trust Agreement and proposed modification of and amendment to the Related Certificate Documents in substantially such form, without liability or responsibility to any Owner, whether or not such Owner shall have consented thereto.

(d) Subject to Section 13.13 hereof, if the Owners of not less than a majority in aggregate principal amount of Certificates Outstanding as required hereunder at the time of the execution of such Supplemental Trust Agreement and proposed modification of and amendment to the Related Certificate Documents shall have consented to and approved the execution thereof as herein provided, no Owner shall have any right to object to the adoption of such Supplemental Trust Agreement and proposed modification of and amendment to the Related Certificate Documents, 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 execution thereof, or to enjoin or

restrain the Corporation, the City and the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

(e) Subject to Section 13.13 hereof, upon the execution of any Supplemental Trust Agreement or any modification or amendment to the Related Certificate Documents pursuant to the provisions of this Section, this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Corporation, the City, the Trustee and all Owners shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Trust Agreement as so modified and amended.

SECTION 11.03 RESPONSIBILITIES OF TRUSTEE, CITY AND CORPORATION UNDER THIS ARTICLE. The Trustee, the City and the Corporation shall be entitled to exercise their discretion in determining whether or not any proposed Supplemental Trust Agreement or any amendment to any Related Certificate Document or any term or provision therein contained is desirable, after considering the purposes of such instrument, the needs of the Corporation and the City, the rights and interests of the Owners, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Corporation, the City or to any Owner or to anyone whomsoever for its refusal in good faith to execute any such Supplemental Trust Agreement or Related Certificate Document if such amendment is deemed by it to be contrary to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it, who may be counsel for the Corporation or the City or Special Counsel, as conclusive evidence that any such proposed Supplemental Trust Agreement does or does not comply with the provisions of this Trust Agreement, and that it is or is not proper for it, under the provisions of this Article, to accept such Supplemental Trust Agreement.

SECTION 11.04 CONSENT OF CITY NOT REQUIRED. Anything herein to the contrary notwithstanding, no such Supplemental Trust Agreement or amendment to any Related Certificate Document need be consented to or executed by the City if the City is in default hereunder, under the Lease Agreement or an Event of Non-Appropriation has occurred.

SECTION 11.05 NOTICE TO RATING AGENCIES. Copies of any proposed Supplemental Trust Agreement or any other proposed modification or amendment of this Trust Agreement, the Ground Lease, the Lease Agreement, or the Assignment of Leases shall be mailed or otherwise sent to the Rating Agencies by the City at least 15 days prior to the effective date thereof.

ARTICLE XII
DEFEASANCE

SECTION 12.01 DEFEASANCE.

(a) If the principal, Prepayment Premium, if any, and interest due or to become due on the Certificates shall be paid at the times and in the manner stipulated therein, and if all other

sums of money due or to become due according to the provisions hereof shall be paid or provision for payment shall be made, then these presents and the Trust Estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of this Trust Agreement and execute and deliver to the Corporation and the City such instruments in writing as shall be requisite to cancel and discharge the lien hereof and all surplus in, and balances remaining in, all funds and accounts, other than moneys held for the prepayment or payment of Certificates and money held for the United States Treasury in the Rebate Fund, shall be delivered to the City.

(b) Any Certificate shall be deemed to be paid within the meaning of this Article when payment of the principal of and Prepayment Premium, if any, on such Certificate, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon prepayment as provided in this Trust Agreement, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (A) moneys sufficient to make such payment and/or (B) Refunding Securities verified by an independent certified public accountant selected by the Corporation as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees and expenses of the Trustee pertaining to the Certificate with respect to which such deposit is made. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or Prepayment 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 Prepayment Price, if applicable, of the Certificate or Certificates for the payment or prepayment of which they were deposited and the interest accruing thereon to the date of maturity for prepayment; provided, however, new Refunding Securities and moneys may be substituted for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of or Prepayment Price, if applicable, and interest on the Refunded Certificate or Certificates as verified by an independent certified public accounting firm. At such time as a Certificate shall be deemed to be paid hereunder as aforesaid such Certificate shall no longer be deemed to be Outstanding hereunder and shall no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of any such payment from such moneys or Refunding Securities. Notwithstanding the foregoing, the provisions of this Trust Agreement relating to the maturity of the Certificates, interest payments and Interest Payment Dates, prepayment provisions, exchange, transfer and registration of Certificates, replacement of mutilated, destroyed, lost or stolen Certificates, the safekeeping and cancellation of Certificates, non-presentment of Certificates, the holding of moneys in trust, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners notwithstanding the release and discharge of the lien of the Trust Agreement. Prepayments received pursuant to Section 4.06(c) of the Lease Agreement shall be applied in accordance with Section 4.06 of the Lease Agreement and shall be held for the benefit of the Certificates described in the notice given by the Corporation pursuant to such Section.

(c) If Certificates for which Refunding Securities have been set aside are to be called for prepayment, irrevocable instructions to call the Certificates for prepayment shall be given by the Corporation to the Trustee.

(d) The Trustee, within thirty (30) days after any Refunding Securities shall have been deposited with it, shall cause a notice, signed by the Trustee, to be mailed, postage prepaid, to all Owners for which Refunding Securities have been set aside, setting forth (i) the date or dates, if any, designated for the prepayment of the Certificates, (ii) a description of the Refunding Securities so held by it, and (iii) that such Certificates have been defeased as provided in this Trust Agreement.

(e) Notwithstanding anything to the contrary set forth in this Article XII, the obligations of the City under Section 6.03 of the Lease Agreement with respect to any Certificate (other than Taxable Certificates) defeased pursuant to this Article XII shall survive any such defeasance.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

SECTION 13.01 EFFECT OF DISSOLUTION OF CORPORATION. In the event the Corporation for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Trust Agreement by or on behalf of or for the benefit of the Corporation shall bind or inure to the benefit of the successor or successors of the Corporation from time to time and any officer, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the term "Corporation" as used in this Trust Agreement shall include such successor or successors.

SECTION 13.02 NOTICES.

(a) All written notices, certificates, reports or statements to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto, with a copy to each of the other parties to this Trust Agreement, at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery, to the address set forth below.

If to the Corporation: Pompano Beach Finance Corporation
100 West Atlantic Boulevard
Pompano Beach, Florida 33060
Attention: President

If to the City:	City of Pompano Beach, Florida 100 West Atlantic Boulevard Pompano Beach, Florida 33060 Attention: City Manager
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 10161 Centurion Parkway Jacksonville, Florida 32256 Attention: Corporate Trust Department
[If to the Series 2015 Insurer:	_____ _____ Attention: Surveillance]

(b) Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

(c) All documents received by the Trustee under the provisions of this Trust Agreement, or photostatic copies thereof, shall be retained in its possession until this Trust Agreement shall be released under the provisions of Section 12.01 of this Trust Agreement, subject at all reasonable times to the inspection of the Corporation, the City and the agents and representatives thereof.

(d) The Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Indenture, the Lease Agreement, the Ground Lease or any other document reasonably relating to the Certificates and delivered using Electronic Means (defined below); provided, however, that the City or the Corporation, as the case may be, shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City or the Corporation elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee's understanding of such directions or instructions shall be deemed controlling. The City and the Corporation each understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City and the Corporation, as the case may be, shall each be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or

written instruction. Each of the City and the Corporation agree: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions and (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances. "Electronic Means" shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

SECTION 13.03 UNDERTAKINGS TO PROVIDE ONGOING DISCLOSURE. In the event of a failure by the City to comply with any provision of any Continuing Disclosure Certificate, no Default shall be deemed to occur hereunder and no Event of Default shall be deemed to occur under the Lease Agreement; however the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Certificates subject to the applicable Continuing Disclosure Certificate may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with such obligations.

SECTION 13.04 SUBSTITUTE MAILING. If, because of the temporary or permanent suspension of postal service, the Corporation, the City or the Trustee shall be unable to mail any notice required to be given by the provisions of this Trust Agreement, the Corporation, the City or the Trustee shall give notice in such other manner as in the judgment of the Corporation, the City or the Trustee shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Trust Agreement be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 13.05 PARTIES AND OWNERS ALONE HAVE RIGHTS UNDER TRUST AGREEMENT. Except as herein otherwise expressly provided, nothing in this Trust Agreement, express or implied, is intended or shall be construed to confer upon any Person, other than the Trustee, the Corporation, the City, and the Owners, any right, remedy or claim, legal or equitable, under or by reason of this Trust Agreement or any provision being intended to be and being for the sole and exclusive benefit of the Trustee, the Corporation, the City, and the Owners.

SECTION 13.06 EFFECT OF PARTIAL INVALIDITY. In case any one or more of the provisions of this Trust Agreement or the Certificates shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Trust Agreement or the Certificates, but this Trust Agreement and the Certificates shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Certificates or this Trust Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation,

obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City or the Corporation to the full extent permitted by law.

SECTION 13.07 NO RECOURSE AGAINST MEMBERS, OFFICERS OR EMPLOYEES OF CORPORATION, OR THE CITY. No recourse under, or upon, any statement, obligation, covenant, or agreement contained in this Trust Agreement, or in any Certificate hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Corporation or the City or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee, as such, of the Corporation or the City. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment of any sum that may remain due and unpaid upon the Certificates hereby secured is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Trust Agreement and the issuance of the Certificates.

SECTION 13.08 EXPENSES PAYABLE UNDER TRUST AGREEMENT. All expenses incurred in carrying out this Trust Agreement shall be payable solely from funds derived from the City as Supplemental Rent.

SECTION 13.09 DEALING IN CERTIFICATES. The Trustee, its directors, officers, employees or agents, and any officer, employee or agent of the Corporation or the City, may in good faith, buy, sell, own, hold and deal in any Certificates issued under the provisions of this Trust Agreement and may join in any action which any Owner may be entitled to take with like effects as if such Trustee were not a Trustee under this Trust Agreement or as if such officer, employee or agent of the Corporation or the City did not serve in such capacity.

SECTION 13.10 MULTIPLE COUNTERPARTS. This Trust Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

SECTION 13.11 HEADINGS. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

SECTION 13.12 LAWS. This Trust Agreement shall be construed and governed in accordance with the laws of the State without regard to conflict of law principles.

[SECTION 13.13 PROVISIONS RELATING TO SERIES 2015 MUNICIPAL BOND INSURANCE POLICY. The City has obtained and delivered to the Trustee the Series 2015 Municipal Bond Insurance Policy issued by the Series 2015 Insurer in favor of the Trustee for the benefit of the Owners of the Series 2015 Certificates. Notwithstanding anything in this Trust Agreement or the Related Certificate Documents to the contrary, so long as the Series 2015

Municipal Bond Insurance Policy is in effect and the Series 2015 Insurer is not in default of its obligations thereunder, the following provisions shall apply to the Series 2015 Certificates:]

[To follow]

[This Space Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement by their officers "hereunto duly authorized as of the date and year first written above.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Name: _____
Title: _____

POMPANO BEACH FINANCE CORPORATION, as Lessor

By: _____
Name: _____
Title: _____

[SEAL]

ATTEST:

_____
Secretary

CITY OF POMPANO BEACH, FLORIDA, as Lessee

By: _____
Name: _____
Title: _____

[SEAL]

ATTEST:

_____
City Clerk

STATE OF GEORGIA

COUNTY OF _____

The foregoing instrument was acknowledged before this ___ day of May, 2015, by _____, as a Vice President of The Bank of New York Mellon Trust Company, N.A., who is personally known to me or has produced _____, as identification.

(Notary Seal)

_____
Name:_____
Notary Public of the State of Georgia

My commission expires: _____

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this ___ day of May, 2015, by _____, as [Vice] President of **POMPANO BEACH FINANCE CORPORATION**, who is personally known to me or has produced _____, as identification.

(Notary Seal)

_____
Name:_____
Notary Public of the State of Florida

My commission expires: _____

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this ___ day of May, 2015, by _____, as [Vice] Mayor of the **CITY OF POMPANO BEACH, FLORIDA**, who is personally known to me or has produced _____, as identification.

(Notary Seal)

_____
Name:_____
Notary Public of the State of Florida

My commission expires: _____

EXHIBIT A

DEFINITIONS

"Act" means the Charter of the City, Chapter 166, Florida Statutes, as amended, Ordinance No. 2015-30 duly enacted by the City on April 14, 2015 and other applicable provisions of law.

"Amortization Installment" means an annual amount designated as such by the Trust Agreement, such amount to be included in the Basic Rent Payments and to be deposited by the Trustee to the credit of the Principal Account for the purpose of paying Term Certificates.

"Architect" means the architect or firm of architects appointed to perform the duties of the Architect in accordance with Section 5.01 of the Lease Agreement. The Architect may be an employee of the City or the Contractor.

"Assignment of Leases" means the Assignment of Leases, dated as of May 1, 2015 by and between the Corporation and the Trustee, as now or hereafter amended.

"Authorized Officer" when used with respect to the Corporation, means the President, Vice President, Treasurer or Secretary of the Corporation or any other officer or employee of the Corporation who is designated in writing to the Trustee by the President of the Corporation as an Authorized Officer of the Corporation for purpose of the Lease Agreement and the Trust Agreement and, when used with respect to the City, means the Mayor, Vice Mayor, or City Manager of the City, or any other officer or employee of the City designated in writing to the Trustee by the City Manager as an Authorized Officer of the City for purposes of the Lease Agreement and the Trust Agreement.

"Available Revenues" means the moneys and revenues of the City legally available in any Fiscal Year to make the Lease Payments.

"Basic Rent" or "Basic Rent Payment" means the Basic Rent Payments set forth in the Lease Schedule, as the same may be adjusted pursuant to the terms of the Lease Agreement.

"Basic Rent Payment Date" means the dates on which Basic Rent becomes due as described in the Lease Schedule.

"Budget" means the annual budget of revenues and expenses and capital expenditures required to be adopted by the City for each Fiscal Year pursuant to the Charter of the City.

"Business Day" means any day other than a Saturday or Sunday or a day on which the Trustee is authorized by law to be closed or any date that the payment system of the Federal Reserve is not operational.

"Capitalized Interest Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Certificate" or "Certificates" means the certificates of participation prepared and delivered by the Trustee pursuant to the Trust Agreement, including the Series 2015 Certificates and any Completion Certificates and Refunding Certificates.

"Certificate of Acceptance" means the Certificate of Acceptance relating to the Project attached as Exhibit B to the Lease Agreement.

"Certificate Payments" means the Principal Component and Interest Component and all other amounts coming due and payable with respect to the Certificates under the Trust Agreement.

"Certificate Register" means the books of the Trustee for registration of the ownership of the Certificates pursuant to Section 4.06 of the Trust Agreement.

"City" means the City of Pompano Beach, Florida.

"Closing Date" means, with respect to a particular series of Certificates, the date of issuance and delivery of such Certificates to the original Purchasers thereof.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations and rules applicable thereto.

"Commencement Date" means May 1, 2015.

"Completion Certificates" means Certificates issued for purposes of completing the Project pursuant to Section 4.12 of the Trust Agreement.

"Completion Date" means the date the Project achieves final completion, as described in the Certificate of Acceptance.

"Contractor" means, with respect to the Project, the Person or Persons appointed by the City to act in such capacity.

"Corporation" means the Pompano Beach Finance Corporation, a Florida not-for-profit corporation organized and existing under the laws of the State, and any successor thereto.

"Corporation Resolution" means Resolution No. 2015-198 duly adopted by the Corporation on April 14, 2015.

"Costs of Issuance" means all costs and expenses related to the execution, sale and delivery of the Certificates and execution and delivery of the Lease Agreement, including, but not limited to, costs paid or incurred by the City, the Corporation or the Trustee for filing costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing

discounts, legal fees and charges and reimbursements, financial and other professional consultant fees and charges and reimbursements, auditors fees and charges and reimbursements, costs of rating agencies or credit ratings, fees for execution, registration, transportation and safekeeping of the Certificates, credit enhancement premiums and charges and fees in connection with the foregoing.

"Costs of Issuance Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Earnings Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Engineer" means the professional engineer or firm of engineers appointed to perform the duties of the Engineer in accordance with Section 5.02 of the Lease Agreement. The Engineer may be an employee of the City or the Contractor.

"Equipment" means the items of personal property, if any, to be financed or refinanced by disbursements from the Project Account and leased to the City pursuant to the terms and provisions of the Lease Agreement and which are more particularly described in the Lease Schedule, or any substitutions therefor or additions thereto made in accordance with the provisions of the Lease Agreement and any other personal property located on or that is part of the Project.

"Escrow Deposit Agreement" means an Escrow Deposit Agreement entered into between the Trustee, the Corporation and the City pursuant to a Supplemental Trust Agreement providing for deposit of cash or securities for the defeasance of any Certificates.

"Event of Default" or "Default," when referenced to the Lease Agreement, means an event of default or default under the Lease Agreement as set forth in Section 7.02 of the Lease Agreement, and, when referenced to the Trust Agreement, shall mean an event of default or default as set forth in Section 8.01 of this Trust Agreement.

"Event of Non-Appropriation" means the enactment of an annual Budget by the City which does not provide sufficient funds to continue making Lease Payments in full for the next succeeding Renewal Lease Term beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments had been budgeted and appropriated.

"Extraordinary Prepayment" means, as to the Certificates, the extraordinary prepayment of all or a portion of the Certificates pursuant to Section 5.01(a) of the Trust Agreement, and as to the Lease Payments, the extraordinary prepayment by the City of all or a portion of the Lease Payments pursuant to Section 5.08(c) of the Lease Agreement.

"Extraordinary Prepayment Date" means the date on which such Certificates shall be prepaid pursuant to Section 5.01(c) of this Trust Agreement.

"Facilities" means the structures and appurtenant and related facilities and improvements to be financed or refinanced from a disbursement from the Project Account and leased to the City as part of the Project pursuant to the terms of the Lease Agreement and Trust Agreement and which are more particularly described in the Lease Schedule as the Parking Garage and the Roadways, water utility lines in the Roadways to provide fire connections, sewer utility lines in the Roadways, master storm drainage, and approximately 54 parking spaces on the Roadways that will be operated as part of the City's parking system, as the same may be modified or changed from time to time in accordance with the terms of the Lease Agreement and the Trust Agreement.

"Fiscal Year" means 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 as the fiscal year for the City.

"Initial Lease Term" means the initial term of the lease of the Project from the Corporation to the City pursuant to the terms of the Lease Agreement, which Initial Lease Term shall commence on the Commencement Date and shall end on September 30, 2015.

"Insurance Consultant" means a recognized, independent insurance company or broker, selected by the City, that has actuarial personnel experienced in the area of insurance for which the City is to be self insured.

"Insurer" means the issuer or guarantor of any Municipal Bond Insurance Policy or Reserve Account Surety Bond and, with respect to a Reserve Account Surety Bond, shall include a Qualified Financial Institution.

"Interest Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Interest Component" means the portion of each Basic Rent Payment constituting interest as set forth in the Lease Schedule.

"Interest Payment Date" means January 1 and July 1 of each year during the Lease Term, commencing July 1, 2015 with respect to the Series 2015 Certificates.

"Land" means, collectively, the real property to be leased to the Corporation by the City pursuant to the terms of the Ground Lease which is more particularly described in the Lease Schedule and the Ground Lease, as amended from time to time.

"Lease Agreement" means the Lease-Purchase Agreement, dated as of May 1, 2015 by and between the Corporation, as lessor, and the City, as lessee, including the Lease Schedule, as now or hereafter amended, modified or supplemented.

"Lease Payment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Lease Payments" means, collectively, the Basic Rent, the Supplemental Rent and all other amounts owing under the Lease Agreement which are payable by the City pursuant to the Lease Agreement; provided, however, such term shall not include Refunding Rent.

"Lease Schedule" means the Lease Schedule, attached to the Lease Agreement as Exhibit A, which shall authorize the lease of the Project to the City in accordance with the terms of the Lease Agreement, as the same may be amended in accordance with the Lease Agreement.

"Lease Term" means the term of the lease of the Project, pursuant to the provisions of the Lease Agreement and Lease Schedule, which Lease Term shall commence on the first day of the Initial Lease Term and shall be equal to the Maximum Lease Term unless the Lease Agreement is earlier terminated in accordance therewith in which case the Lease Term shall end on such date of termination.

"Mandatory Prepayment Date" means the date on which certain Certificates shall be prepaid pursuant to Section 5.01(c) of the Trust Agreement.

"Maximum Lease Term" means the maximum term of the lease of the Project as provided in the Lease Schedule.

"Moody's" or "Moody's Investors Service" means Moody's Investors Service, Inc. or any successor thereto.

"Municipal Bond Insurance Policy" or "Policy" means the municipal bond insurance policy issued by an Insurer insuring the payment when due of the Principal Component and the Interest Component with respect to the Certificates secured thereby.

"Net Proceeds," when used with respect to any insurance or condemnation award, means the amount of gross proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses incurred in the collection of such gross proceeds.

"Optional Prepayment Date" means the date on which the moneys deposited by the City pursuant to the exercise of a prepayment option under Section 4.06 of the Lease Agreement shall be applied to the prepayment of Certificates in accordance Section 5.01(b) of this Trust Agreement.

"Outstanding," when used with reference to Certificates means, as of a particular date, all Certificates theretofore issued under the Trust Agreement, except:

(1) Certificates theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Certificates which have been paid or provision for payment has been made in accordance with Section 12.01 of the Trust Agreement; and

(3) Certificates in exchange for or in lieu of which other Certificates have been issued.

"Overdue Rate" means a rate of interest equal to the greater or the highest rate of interest allowed by law with respect to the Outstanding Certificates or 18% per annum.

"Owner" or "Certificate Owner" or "Owner of Certificates" or "Certificate Holder" or "Holder" or any similar term, when used with respect to the Certificates means any Person who shall be the registered owner of any Outstanding Certificate.

"Parking Garage" means the approximately 281,804 square foot, 5-story public parking garage with approximately 609 to 615 parking spaces to be constructed on the Parking Garage Land.

"Parking Garage Land" means the portion of the Land described on Exhibit A-1 to the Ground Lease, as same may be modified from time to time in accordance with the Ground Lease and the Lease Agreement.

"Payment Dates" means January 1 and July 1 of each year; provided that, with respect to the Interest Component due on the Certificates, the term "Payment Dates" means each Interest Payment Date and with respect to the Principal Component due on the Certificates, the term "Payment Dates" means January 1 of each year.

"Permitted Encumbrances" means, in regard to the Project:

(1) the Ground Lease and any liens and encumbrances created or permitted thereby;

(2) the Lease Agreement and any liens and encumbrances created or permitted thereby;

(3) the Assignment of Leases and any liens and encumbrances created or permitted thereby;

(4) the Trust Agreement and any liens and encumbrances created or permitted thereby;

(5) subject to the provisions of Section 5.01(a) of the Lease Agreement, any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in good faith in accordance with the provisions of the Lease Agreement;

(6) (a) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law; (b) any liens for taxes, assessments, levies, fees, water and sewer rents or charges and other government and similar charges, which are not due and payable or which are not

delinquent or the amount or validity of which are being contested in good faith and execution thereon is stayed; (c) easements, rights-of-way, servitudes, restrictions, oil, gas or other mineral reservations and other minor defects, encumbrances and irregularities in the title to any property which do not materially and adversely impair the use of such property or materially and adversely affect the value thereof; and (d) rights reserved to or vested in any municipality or public authority to control or regulate any property or to use such property in any manner; and

(7) any other liens or encumbrances permitted by the Lease Schedule.

"Permitted Investments," means, subject to any more restrictive terms of the City's investment policy as in effect from time to time:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(a) U.S. Export-Import Bank (Eximbank)
Direct obligations or filly guaranteed certificates of beneficial ownership

(b) Farmers Home Administration (FmHA)
Certificates of Beneficial Ownership

(c) Federal Financing Bank

(d) Federal Housing Administration Debentures (FHA)

(e) General Services Administration
Participation Certificates

(f) Government National Mortgage Association (GNMA or Ginnie Mae)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations

(g) U.S. Maritime Administration
Guaranteed Title XI financing

(h) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds

New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies which are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(a) Federal Home Loan Bank System
Senior debt obligations

(b) Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
Participation Certificate
Senior debt obligations

(c) Federal National Mortgage Association (FNMA or Fannie Mae)
Mortgage-backed securities and senior debt obligations

(d) Student Loan Marketing Association (SLMA or Sallie Mae)
Senior debt obligations

(e) Resolution Funding Corp. (REFCORP) obligations

(f) Farm Credit System
Consolidated systemwide bonds and notes

(4) Money market fluids registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aal or Aa2.

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(7) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to the Series 2015 Insurer, while the Series 2015 Certificates are Outstanding and the Series 2015 Insurer is not in default of its obligations under the Series 2015 Municipal Bond Insurance Policy.

(8) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

(9) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such rating agencies.

(10) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

(11) Repurchase Agreements ("Repos") for 30 days or less must follow the following criteria. Repos which exceed 30 days must be acceptable to the Series 2015 Insurer while the Series 2015 Certificates are Outstanding and the Series 2015 Insurer is not in default of its obligations under the Series 2015 Municipal Bond Insurance Policy

Repos provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

(a) Repos must be between the municipal entity and a dealer bank or securities firm.

i. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and A2 or better by Moody's, or

ii. Banks rated "A" or better by S&P and A2 or better by Moody's.

(b) The written repurchase agreement must include the following:

i. Securities which are acceptable for transfer are:

(A) Direct obligations of the United States of America referred to in Section 1 above, or

(B) Obligations of federal agencies referred to in Section 2 above

(C) Obligations of FNMA and FHLMC

ii. The term of the Repos may be up to 30 days.

iii. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent

for the trustee is (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

iv. Valuation of Collateral.

(A) the securities must be valued weekly, marked-to-market at current market price plus accrued interest.

(B) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the municipal entity, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

v. A legal opinion which must be delivered to the municipal entity that states that the Repo meets guidelines under state law for legal investment of public funds.

(12) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part VI, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to State law as a legal depository of public moneys or any other investments permitted by applicable Florida law.

"Person" means an individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, government or political subdivision.

"Pledged Funds" means the Project Fund (other than the Costs of Issuance Account), the Lease Payment Fund, the Prepayment Fund, and the Earnings Fund.

"Prepayment Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Prepayment Premium" means the amount of Prepayment Premium, if any, due on any Optional Prepayment Date. The amount of such Prepayment Premium shall be calculated in accordance with the Trust Agreement.

"Prepayment Price" means, with respect to any Certificate or portion thereof, the principal amount or portion thereof, the applicable Prepayment Premium, if any, plus accrued interest to the prepayment date of the Certificates payable upon prepayment thereof pursuant to such Certificate and the Trust Agreement.

"Principal Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Principal Component" means the portion of each Basic Rent Payment constituting principal (including Amortization Installments) as set forth in the Lease Schedule.

"Principal and Interest Requirements" means the respective amounts which are required in each Fiscal Year to provide for:

(1) the interest payable on all Certificates then Outstanding, which is payable on each interest Payment Date in such Fiscal Year,

(2) the principal on all Serial Certificates then Outstanding, which is payable upon the maturity of the Serial Certificates in such Fiscal Year, and

(3) the Amortization Installments for all Term Certificates then Outstanding, which is payable for such Fiscal Year.

In determining the amount of the Principal and Interest Requirements for any Fiscal Year, if interest on the Certificates is payable from the proceeds of such Certificates or from other amounts set aside irrevocably for such purpose at the time such Certificates are issued, interest on such Certificates shall be included in Principal and Interest Requirements only in proportion to the amount of interest payable in the then current Fiscal Year from amounts other than amounts so funded to pay such interest (so long as such funded interest is gross funded and invested in investments described in direct obligations of the Department of the Treasury of the United States of America, which mature no later than one Business Day prior to the related Interest Payment Date).

"Principal Office" means the designated corporate trust office of the Trustee which shall initially be in East Syracuse, New York, or the designated corporate trust office of any successor Trustee.

"Principal Payment Date" means January 1 of each year during the Lease Term.

"Project" shall mean the Facilities and/or Equipment, as described in the Lease Schedule, as the same may be amended or modified from time to time in accordance with the terms of the Lease Agreement.

"Project Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Project Costs" or "Costs of the Project" means all costs of payment of, or reimbursement for, acquisition, construction and installation of the Project, including but not limited to, architectural and engineering costs and costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs and sales and use taxes and the cost of title insurance, and, in addition, Costs of Issuance to the extent that the amounts on

deposit in the Costs of Issuance Account are insufficient to pay all Costs of Issuance in full. Project Costs shall specifically include any portion of the total costs of the Project or any portion thereof paid by the Corporation from funds other than proceeds of the Certificates prior to the Closing Date for which the Corporation seeks reimbursement by filing a Requisition with the Trustee in the manner required by Section 6.03 of the Trust Agreement.

"Project Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Purchasers" means the original purchaser or purchasers of each series of the Certificates.

"Qualified Financial Institution" means (1) a bank, a trust company, a national banking association, a corporation subject to registration with the City of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America; or (2) the Government National Mortgage Association or any successor thereto or the Federal National Mortgage Association or any successor thereto; provided that, for each such entity delineated in clauses (1) and (2), its unsecured or uncollateralized long-term debt obligations, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such entity, have been assigned a credit rating by Moody's of "Aa" or better or by S&P of "AA" or better.

"Rating Agencies" means Moody's and S&P.

"Real Estate Taxes" means all real estate taxes, public and governmental charges and assessments, including all extraordinary or special assessments, and taxes and assessments against any of the personal property included in the Project, all costs, expenses and attorneys' fees incurred by Corporation in contesting or negotiating with public authorities as to any of same and all sewer and other similar taxes and charges.

"Rebate Analyst" shall mean the City Manager of other appropriate Authorized Officer of the City or firm of experts engaged by the City to undertake the duties required by the Trust Agreement to be performed by the Rebate Analyst with respect to Certificates other than Taxable Certificates.

"Rebate Fund" means the fund by that name established under Section 6.02 of the Trust Agreement.

"Record Date" means the 15th day of the month preceding any Payment Date (whether or not a Business Day).

"Refunded Certificates" mean any Outstanding Certificates so designated by the Lease Schedule as amended with respect to a series of Refunding Certificates.

"Refunding Certificates" means Certificates issued for purposes of refunding the Refunded Certificates or Outstanding Certificates pursuant to Section 4.13 of the Trust Agreement.

"Refunding Rent" means the Refunding Rent payments set forth in a subsequent Lease Schedule to the Lease Schedule payable with respect to Refunded Certificates pursuant to the Lease Agreement.

"Refunding Securities," except as otherwise provided by the Trust Agreement, means direct obligations of the Department of the Treasury of the United States of America.

"Related Certificate Documents" means the Ground Lease, the Lease Agreement and the Assignment of Leases.

"Renewal Lease Term" means, in regard to the Project, the period commencing on the day after the last day of the Initial Lease Term and ending on the following September 30. Thereafter, "Renewal Lease Term" shall refer to each succeeding one (1) year term commencing on the day after the last day of the previous Renewal Lease Term and ending on the following September 30.

"Renewal Term Termination Date" means, in regard to the Project, the termination date for the then current Renewal Lease Term which shall be the last day of such Renewal Lease Term.

"Request and Authorization" means a request and authorization from the Corporation and the City to the Trustee to authenticate and deliver Certificates in accordance with the terms thereof and of the Trust Agreement, and substantially in the form attached to this Trust Agreement as Exhibit C.

"Requisition" with respect to Project Costs, means a Certificate for Construction Payment in substantially the form attached to this Trust Agreement as Exhibit D and submitted to the Trustee by the City in accordance with this Trust Agreement to receive amounts from the Project Fund to pay Project Costs and, with respect to Costs of Issuance, means a requisition in substantially the form attached to this Trust Agreement as Exhibit E submitted in accordance with the Lease Agreement and this Trust Agreement.

"Reserve Account" means the account by that name established under Section 6.02 of the Trust Agreement.

"Reserve Account Surety Bond" means the irrevocable letter or line of credit, insurance policy, surety bond or guarantee agreement issued by an Insurer which is to be deposited into the Reserve Account in order to fulfill the Reserve Requirement, all or in part.

"Reserve Requirement" means, initially, $_____, [$0.00] with respect to the Series 2015 Certificate and upon the issuance of Completion Certificates and/or Refunding Certificates, the amount specified in the related amended Lease Schedule, subject to any limitations of the Code applicable to Completion Certificates and Refunding Certificates issued as other than Taxable Certificates.

"Roadways" mean the new public roadways around the Parking Garage, connecting NE 2nd Street to NE 3rd Street in a north-south direction, and a new public roadway along the south side of the Parking Garage that will connect Pompano Beach Boulevard to State Road AIA **[add any other roadways]**, including landscaping [and signalization].

"S&P" or "Standard & Poor's" means Standard & Poor's Ratings Service, or any successor thereto.

"Serial Certificates" means the Certificates designated as Serial Certificates pursuant to the Trust Agreement.

"Series 2015 Certificates" means the $_____ Taxable Certificates of Participation (Parking Garage Project), Series 2015 Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Rent Payments to be Made by the City of Pompano Beach, Florida, As Lessee, Pursuant to a Lease-Purchase Agreement with Pompano Beach Finance Corporation, as Lessor.

["Series 2015 Insurer" means _____ and its successors and assigns.]

["Series 2015 Municipal Bond Insurance Policy" means the Municipal Bond Insurance Policy relating to the Series 2015 Certificates issued by the Series 2015 Insurer contemporaneously with the delivery of the Series 2015 Certificates.]

"Special Counsel" means Greenspoon Marder, P.A., as Special Counsel, or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exemption of the 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.

"State" means the State of Florida.

"Stipulated Loss Value" means an amount calculated in accordance with Section 5.08 of the Lease Agreement.

"Supplemental Rent" shall have the meaning set forth in Section 4.03(f) of the Lease Agreement.

"Supplemental Rent Fund" means the Fund of that name established pursuant to Section 6.02 of the Trust Agreement.

"Supplemental Trust Agreement" means any supplement to or amendment to the Trust Agreement entered into in accordance with Article XI of the Trust Agreement.

"Taxable Certificates" means those Certificates for which the Interest Component of the Basic Rent Payments allocable to such Certificates is not intended to be excluded from gross income for purposes of federal income taxation.

"Tax Regulatory Agreement" means the agreement entered into in connection with each series of Certificates other than Taxable Certificates as required by Section 6.14 of this Trust Agreement.

"Term Certificates" means those Certificates designated as Term Certificates pursuant to the Trust Agreement authorizing the issuance thereof which are subject to mandatory prepayment by Amortization Installments.

"Trust Agreement" means this Trust Agreement, dated as of May l, 2015, among the Corporation, the City and the Trustee, as now and hereafter amended, modified or supplemented by Supplemental Trust Agreements.

"Trust Estate" means all right, title and interest of the Trustee in and to the property and interests therein described in Section 3.03 of the Trust Agreement.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., or its successor in interest as the Trustee under the Trust Agreement.

"Vendor" means, the Person or Persons appointed by the City to sell Equipment relating to the Project.

EXHIBIT B

FORM OF SERIES 2015 CERTIFICATES

Taxable Certificates of Participation (Parking Garage Project), Series 2015
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, As Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

Interest Rate	Dated Date	Maturity Date	CUSIP No.
%	_____, 2015	January 1, 20__	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____DOLLARS ($_____)

This is to certify that the Registered Owner stated above is the registered owner of this Certificate and is entitled to receive on the Maturity Date stated above, the Principal Amount stated above. This Certificate and the "Certificate Principal Amount" and "Certificate Interest Payments" hereunder (as each is defined below) represent a fractional undivided interest in the right to receive the Principal Component and Interest Component of Basic Rent Payments payable under the Lease-Purchase Agreement, dated as of May 1, 2015 (the "Lease Agreement"), between the Pompano Beach Finance Corporation, a not-for-profit Florida corporation, as lessor (the "Corporation" or "Corporation") and the City of Pompano Beach, Florida, a municipal corporation of the State of Florida, as lessee (the "City"). Pursuant to the Lease Agreement, the City has leased from the Corporation the Land and the Project (as such terms are defined in the hereinafter defined Trust Agreement). The Corporation's rights under the Lease Agreement (other than certain rights specified in the Lease Agreement) have been assigned by outright assignment, without recourse, to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") under the Trust Agreement, dated as of May 1, 2015 (the "Trust Agreement") among the Trustee, the Corporation and the City, under the Assignment of Leases, dated as of May 1, 2015 between the Corporation and the Trustee. The designated corporate trust office of the Trustee is located in East Syracuse, New York (the "Principal Office"). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Trust Agreement.

The Basic Rent Payments under the Lease Agreement are payable solely from the City's Available Revenues (as defined in the Trust Agreement) and the moneys on deposit with the Trustee under the Trust Agreement. The Lease Agreement is subject to renewal at the end of each fiscal year of the City which renewal will only occur if the City enacts an annual Budget for such ensuing fiscal year that appropriates funds for such purpose. The aforesaid Principal

Amount represents a undivided proportionate interest in the Principal Component of the Basic Rent Payments (the "Certificate Principal Amount") under the Lease Agreement coming due on each Payment Date through the Maturity Date. The Owner is also entitled to receive, on July 1, 2015, and semiannually thereafter on each January 1 and July 1 (each such date being referred to herein as an "Interest Payment Date") to and including the Maturity Date or the date of prepayment, whichever is earlier, the Owner's undivided proportionate interest in the Interest Component of the Basic Rent Payments (the "Certificate Interest Payments") coming due with respect to such Payment Dates. Interest on the Principal Amount represented by this Certificate shall accrue from the Dated Date at the Interest Rate set forth above. This Certificate is one of a series of taxable certificates of participation in the aggregate principal amount of $_____ (the "Series 2015 Certificates") issued to finance, all or in part, the acquisition, construction and installation of a the "Project" as defined in the Lease Agreement for lease to the City pursuant to the Lease Agreement.

[The Series 2015 Certificates shall not be secured by the Reserve Account and there shall be no Reserve Requirement for the Series 2015 Certificates.]

The acquisition, construction and installation of the Project shall be financed by the issuance of the Series 2015 Certificates pursuant to the Trust Agreement. Completion Certificates and Refunding Certificates (as such terms are defined in the Trust Agreement) may be issued under the Trust Agreement, which shall be on parity with the Series 2015 Certificates, upon satisfying the conditions described therefor in the Trust Agreement.

All amounts payable with respect to the Series 2015 Certificates are payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. The Principal Amount is payable at the Principal Office of the Trustee and interest is payable by check or draft of the Trustee mailed on each January 1 prior to the Maturity Date or earlier date of prepayment (each, a "Principal Payment Date") to the Registered Owner of record on the fifteenth (15th) day of the month preceding the Principal Payment Date (the "Record Date"); provided, however, that at the request and expense of the Registered Owner of $1,000,000 or more in aggregate principal amount of Series 2015 Certificates, interest shall be paid by wire transfer on the Payment Date to a bank account located in the continental United States and designated in writing to the Trustee by the Registered Owner at least five days prior to said Principal Payment Date.

THE BASIC RENT PAYMENTS AND, CONSEQUENTLY, THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST ARE PAYABLE SOLELY FROM REVENUES APPROPRIATED FOR SUCH PURPOSE. THE BASIC RENT PAYMENTS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY. THE CERTIFICATE PAYMENTS OF PRINCIPAL AND INTEREST AND THE PAYMENTS DUE FROM THE CITY UNDER THE LEASE AGREEMENT AND THE CONTRACTUAL OBLIGATIONS OF THE CITY UNDER THE LEASE AGREEMENT DO NOT CONSTITUTE A GENERAL OBLIGATION OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Certificate has been executed by the Trustee pursuant to the terms of the Trust Agreement. Copies of the Ground Lease, the Lease Agreement, the Assignment of Leases, and the Trust Agreement are on file at the Principal Office of the Trustee, and reference to the Ground Lease, the Lease Agreement, the Assignment of Leases, and the Trust Agreement and any and all amendments to said agreements is made for a description of the covenants of the City, the nature, extent and manner of enforcement of such covenants, the rights and remedies of the Owners of the Certificates with respect thereto and the terms and conditions upon which the Series 2015 Certificates are delivered thereunder. To the extent and in the manner permitted by the terms thereof and of the Trust Agreement, the provisions of the Ground Lease, the Lease Agreement, the Assignment of Leases, and the Trust Agreement may be amended by the parties thereto.

This Certificate may be transferred only by recording the transfer on the Certificate Register, which shall be kept for that purpose by the Trustee at the Principal Office of the Trustee. A transfer of this Certificate shall be registered and a new Certificate prepared, authenticated and delivered upon surrender of this Certificate for cancellation accompanied by a written instrument of transfer in a form approved by the Trustee and duly executed by the Registered Owner hereof or his or her duly authorized attorney or legal representative. Upon the registration of the transfer and the surrender of this Certificate, the Trustee shall provide in the name of the transferee, a new fully registered Series 2015 Certificate or Certificates of the same aggregate principal amount, maturity and tenor as the surrendered Certificate. No exchange or transfer of any Series 2015 Certificates shall be required of the Trustee (1) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of prepayment of Series 2015 Certificates and ending at the close of business on the day of such mailing, (2) for Series 2015 Certificates called for prepayment, or (3) during a period beginning at the opening of business on the Record Date next preceding a date set for payment of interest and ending on such date set for payment of interest. Interest on the Series 2015 Certificates shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months.

The Series 2015 Certificates are delivered in the form of fully registered Certificates in denominations of $5,000 each or any whole multiple thereof, and upon surrender thereof at the Principal Office of the Trustee with a written request of exchange satisfactory to the Trustee duly executed by the Registered Owner or his duly authorized attorney or legal representative in writing, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate Principal Amount of Series 2015 Certificates of any other authorized denominations and of the same Interest Rate and Maturity Date.

The Series 2015 Certificates are subject to Extraordinary Prepayment, in whole, on any date, or in part, on any Extraordinary Prepayment Date (if in part, in any order of maturity as directed by the City or, in the absence of such direction, in inverse order of maturity and by lot within maturities), without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of Basic Rent Payments to be prepaid, together with accrued interest to the Extraordinary Prepayment Date, from the Net Proceeds of insurance or condemnation or other amounts deposited with the Trustee pursuant to Section 5.08(c) of the Lease Agreement. The Extraordinary Prepayment Date shall be the next succeeding Interest Payment Date following the

receipt by the Trustee of the moneys to be used for such prepayment; provided, however, if such Interest Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Extraordinary Prepayment Date shall be the second succeeding Interest Payment Date.

The Series 2015 Certificates maturing on or before January 1, 20___ shall not be subject to prepayment at the option of the City. Any of the Series 2015 Certificates maturing after January 1, 20___ may be prepaid, from optional prepayments of Basic Rent Payments made by the City pursuant to the Lease Agreement, in whole or in part on January 1, 20___ or any date thereafter, and in such order of maturities as may be designated by the City, or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of Basic Rent Payments to be prepaid, together with accrued interest to the prepayment date. The moneys necessary to fund such optional prepayment shall be deposited with the Trustee not less than thirty-five (35) days prior to the prepayment date.

The Series 2015 Term Certificates maturing on January 1, 20__ shall be subject to mandatory prepayment, without Prepayment Premium, commencing on January 1, 20___ from Amortization Installments in the amounts and in the years set forth below (the Trustee shall select such Series 2015 Certificates by lot in such manner as it deems appropriate):

Payment Date (January 1)	Amortization Installment $
*	

*Final Maturity

When Series 2015 Certificates are prepaid by lot, selection of Series 2015 Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Series 2015 Certificate to be prepaid shall be in the principal amount of $5,000 or any whole multiple thereof, and that in selecting portions of Series 2015 Certificates for prepayment, the Trustee shall treat each such Series 2015 Certificate as representing that number of Series 2015 Certificates which is obtained by dividing the principal amount of such Certificates by $5,000.

Notice of such prepayment shall be given by first class mail, postage prepaid, not more than sixty (60) days or fewer than thirty (30) days prior to said date of prepayment, to the Owners of any Series 2015 Certificates to be prepaid. Pursuant to the Trust Agreement, the City may cause a conditional notice of prepayment to be given. Any defect in such notice as mailed shall not affect the validity of the proceedings for the prepayment of the Certificates for which proper notice has been given. In addition to the mailing of the notice described above, further notice of prepayment shall be provided as set forth in the Trust Agreement.

The Trustee has no obligation or liability to the Registered Owner to make payments of the Interest Component or Principal Component with respect to this Certificate, other than from the Trust Estate. The Trustee's sole obligations are to administer, for the benefit of the Owners, the various funds and accounts established under the Trust Agreement and to exercise various responsibilities under the Trust Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by facsimile signature of an authorized officer as of the date stated above.

The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely as Trustee, under the Trust Agreement, dated as of May 1, 2015.

(SEAL)

By:_____
Authorized Signature

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

TEN COM	--	as tenants in common
TEN ENT	--	as tenants by the entireties
JT TEN	--	as joint tenants with right of survivorship and not as tenants in common
UNIF TRANS MIN ACT -		_____ (Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

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

ASSIGNMENT

For value received _____, the undersigned do(es) hereby sell, assign and transfer unto _____, whose Social Security or other identifying number is _____, the within registered Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the Certificate Register of the Trustee with full power of substitution in the premises.

Dated: _____

_____

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

_____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within registered Certificates in every particular without alteration or enlargement or any change whatsoever.

CERTIFICATE OF AUTHENTICATION

This Certificate is one of the Certificates designated as Taxable Certificates of Participation, Series 2015 described in the within-mentioned Trust Agreement.

Date of Authentication:

The Bank of New York Mellon Trust Company, N.A., not in its individual capacity but solely as Trustee, under the Trust Agreement, dated as of May 1, 2015.

(SEAL)

By:_____
Authorized Signature

[STATEMENT OF INSURANCE]

[To Follow]

EXHIBIT C

FORM OF REQUEST AND AUTHORIZATION

[Taxable] Certificates of Participation (Parking Garage Project), Series 20__
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, As Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

1. The undersigned, being, respectively, an Authorized Officer of Pompano Beach Finance Corporation, a Florida not-for-profit corporation (the "Corporation"), and an Authorized Officer of the City of Pompano Beach, Florida, a municipal corporation of the State of Florida (the "City"), hereby authorize and request The Bank of New York Mellon Trust Company, N.A., as Trustee under that certain Trust Agreement, dated as of May 1, 2015 (the "Trust Agreement"), among it, the Corporation and the City, to deliver the $_____ aggregate principal amount of [Taxable] Certificates of Participation (Parking Garage Project), Series 20____ Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Rent Payments to be Made by the City of Pompano Beach, Florida, As Lessee, Pursuant to a Lease-Purchase Agreement with Pompano Beach Finance Corporation, as Lessor (the "Series 20___ Certificates"), dated as of May 1, 2015, in the respective maturities and at the respective interest rates set forth in the Lease Schedule attached thereto, as authorized by the Trust Agreement, in fully registered form, to _____, the original Purchaser of the Series 20___ Certificates, on the date hereof, upon receipt from the Purchaser of the purchase price for the Series 20___ Certificates, which is computed as follows:

Original Principal Amount	$
Less: Underwriters' Discount	
Less: Original Issue Discount	
Plus: Original Issue Premium	_____
Purchase Price	$_____
Amount received on date hereof*	$_____

[* Of this amount, $_____ representing the premium for the Municipal Bond Insurance Policy and $_____ representing the premium for the Reserve Account Surety Bond shall be wired directly to the Insurer on behalf of the City and the Corporation.]

2. Said Purchase Price, [less the amounts wired to the Insurer as set forth above,] shall be immediately deposited by you in the Pledged Funds relating to such Series 20___ Certificates as follows in accordance with the provisions of the Trust Agreement.

Project Account	$
Costs of Issuance Account	
Capitalized Interest Account	
Reserve Account	_____
Total Deposits	$_____

DATED: _____, 20__.

POMPANO BEACH FINANCE CORPORATION, as Lessor

By: _____
Name: _____
Title: _____

[SEAL]

ATTEST:

_____
Secretary

CITY OF POMPANO BEACH, FLORIDA, as Lessee

By: _____
Name: _____
Title: _____

[SEAL]

ATTEST:

_____
City Clerk

ACCEPTED:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By _____
Name: _____
Title: _____

FTL:2153621:8

EXHIBIT D

REQUISITION NO. ___

[Taxable] Certificates of Participation (Parking Garage Project), Series 20__
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, As Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

TO: The Bank of New York Mellon Trust Company, N.A., as Trustee under the Trust Agreement dated as of May 1, 2015 among the Trustee, the Pompano Beach Finance Corporation and the City of Pompano Beach, Florida ("Trust Agreement")

This Requisition is made pursuant to the Trust Agreement to pay Costs of the Project.

The Trustee is hereby directed to pay sums out of the Project Account as follows:

Names & Addresses of Payee	Purpose of Payment	Amount
		$
		_____
Total		$_____

The undersigned hereby certifies that (a) each obligation, item of cost or expense herein has been properly incurred; (b) each obligation, item of cost or expense herein is an item of the Cost of the Project and has not been the basis of any previous withdrawal; (c) such payment will not cause the balance remaining in the Project Account after such payment to be less than the amount necessary to pay the remaining estimated Costs of the Project to be paid from the Project Account, or sufficient other moneys are available therefor; (d) that the work being paid for has been accepted by the City and has been completed in accordance with all requirements of the City; and (e) the Land on which the Facilities comprising the Project are located is subject to the Ground Lease.

CITY OF POMPANO BEACH, FLORIDA

_____

Authorized Officer

Dated: _____

FTL:2153621:8

EXHIBIT E

REQUISITION NO. ___

[Taxable] Certificates of Participation (Parking Garage Project), Series 2015
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, As Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

TO: The Bank of New York Mellon Trust Company, N.A., as Trustee under the Trust Agreement dated as of May 1, 2015 among the Trustee, the Pompano Beach Finance Corporation and the City of Pompano Beach, Florida ("Trust Agreement")

This Requisition is made pursuant to the Trust Agreement to pay Costs of Issuance of the Certificates.

The Trustee is hereby directed to pay sums out of the Cost of Issuance Account as follows:

Names & Addresses of Payee	Purpose of Payment	Amount
		$
		_____
Total		$_____

The undersigned hereby certifies that each payment obligation has been properly incurred, is a Cost of Issuance and has not been the basis of a previous withdrawal.

CITY OF POMPANO BEACH, FLORIDA

_____
Authorized Officer
Dated: _____

FTL:2153621:8

EXHIBIT C

FORM OF LEASE PURCHASE AGREEMENT AND LEASE SCHEDULE

Draft: 3/13/15

LEASE-PURCHASE AGREEMENT

by and between

POMPANO BEACH FINANCE CORPORATION,
as Lessor

and

CITY OF POMPANO BEACH, FLORIDA
as Lessee

Dated as of May 1, 2015

THE CORPORATION HAS ASSIGNED ALL ITS RIGHT, TITLE AND INTEREST IN THIS AGREEMENT, EXCEPT CERTAIN RETAINED RIGHTS AS PROVIDED HEREIN, BY ABSOLUTE ASSIGNMENT TO THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE UNDER A TRUST AGREEMENT DATED AS OF MAY 1, 2015, AMONG THE TRUSTEE, THE CORPORATION AND THE LESSEE, PURSUANT TO AN ASSIGNMENT OF LEASES DATED AS OF MAY 1, 2015.

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LEASE-PURCHASE AGREEMENT

THIS LEASE-PURCHASE AGREEMENT, is made and entered into as of May 1, 2015 (this "Lease Agreement"), by and between the **POMPANO BEACH FINANCE CORPORATION**, a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Corporation"), and the **CITY OF POMPANO BEACH, FLORIDA**, a municipal corporation of the State of Florida (the "City").

W I T N E S S E T H :

In consideration of the mutual covenants hereinafter contained and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I
DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.01. DEFINITIONS. The capitalized words and terms used herein shall have the meanings assigned to such words and terms in Exhibit A to the Trust Agreement, dated as of May 1, 2015, among the Corporation, the City and the Trustee or its successor in interest, as amended, unless the context clearly requires some other meaning.

SECTION 1.02. RULES OF CONSTRUCTION. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Statements used herein denoting an agency relationship between the City, as agent, and the Corporation, as principal, shall be strictly construed and limited to the duties set forth herein.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Lease Agreement, refer to this Lease Agreement.

ARTICLE II
RECITALS

SECTION 2.01. STATUS AND POWERS OF CORPORATION. The Corporation is a not-for-profit corporation duly organized and validly existing pursuant to the laws of the State, and is authorized to lease or otherwise dispose of real and personal property, including, without limitation, the undertaking of the actions and duties more particularly described herein.

SECTION 2.02. STATUS AND POWERS OF CITY. The City is a municipal corporation of the State of Florida and is authorized by the laws and Constitution of the State, particularly the Act, to lease-purchase and acquire real and personal property in furtherance of its public purposes.

SECTION 2.03. PURPOSE OF AGREEMENT. The Land is the real property leased pursuant to the Ground Lease. In order to provide for its governmental and proprietary needs and in furtherance of its public purposes, the City desires to lease the Land to the Corporation and to lease back from the Corporation the Land and the completed Project. The Corporation is able and willing, for adequate consideration, to lease the Land from the City and to lease back to the City the Land and the completed Project. The portion of the Land on which the Parking Garage will be constructed is legally described on Exhibit A-1 to the Ground Lease and is referred to as the "Parking Garage Land." Pursuant to the Ground Lease and this Lease Agreement (i) the Parking Garage Land must be used as the site of the Parking Garage, which must be used throughout the Ground Lease Term as a public parking garage for the benefit of the public at large, and (ii) the Roadways (together with related utility and drainage lines, [signalization] and landscaping) and parking spaces are not subject to surrender upon an Event of Non-Appropriation or Event of Default and must always be used as public roads and public parking spaces, as applicable.

SECTION 2.04. RELATED AGREEMENTS. The parties hereto acknowledge, approve of, and consent to the terms of the following documents:

(a) the Ground Lease pursuant to which the City leases the Land to the Corporation;

(b) the Assignment of Leases, pursuant to which the Corporation assigns by absolute assignment all of its rights and interest in the Ground Lease and this Lease Agreement to the Trustee, other than its rights of indemnification, its right to enter into amendments of the Lease Schedule from time to time with respect to the issuance of Completion Certificates or Refunding Certificates, and its obligations in Section 6.03 hereof; and

(c) the Trust Agreement, pursuant to which the Trustee, the City and the Corporation agree to implement this Lease Agreement by providing for the delivery of Certificates to finance and refinance the Project, for the administration of certain funds and accounts for the benefit of the Owners and, under the circumstances contemplated in such Trust Agreement and in this Lease Agreement, the exercise by the Trustee of certain remedies for the benefit of the Owners.

SECTION 2.05. CONSTRUCTION OF THIS LEASE AGREEMENT. For all purposes of this Lease Agreement, reference to the "assignee of Corporation," "Corporation or its assignee" or "Corporation and its assignee" after assignment of this Lease Agreement pursuant to the Assignment of Leases, shall mean only the Trustee acting on behalf of the Owners of the Certificates issued pursuant to the Trust Agreement, except as otherwise specifically provided herein or in the Assignment of Leases to the contrary.

Notwithstanding the foregoing, any provision contained in this Lease Agreement which grants to the Trustee, by virtue of the Assignment of Leases, the permissive right herein to

request documentation, to make inspections or take such other actions, shall not impose on the Trustee a legal or fiduciary duty or obligation to make such request or inspection or take such action. To the extent permitted by law, the Trustee agrees to exercise any such permissive right if directed by the Insurer, if any. The parties hereto agree that the foregoing limitation on the Trustee's rights herein shall in no way be construed to be a limitation on the absolute nature intended by the Assignment of Leases.

SECTION 2.06. PROJECT ESSENTIAL. The City represents that it has an immediate need for the Project and expects to make immediate use of the Project, which need is not temporary or expected to diminish during the Maximum Lease Term.

ARTICLE III
ACQUISITION AND CONSTRUCTION OF PROJECT

SECTION 3.01. DEPOSIT OF MONEYS; LEASE SCHEDULE.

(a) In order to induce the City to lease the Land and the Project from the Corporation and to assure the City that the moneys needed to pay the Costs of the Project and Costs of Issuance relating to the Project will be available without delay, the Corporation and the City, simultaneously with the delivery of this Lease Agreement by the City, shall cause to be deposited with the Trustee the proceeds of the Series 2015 Certificates which shall initially finance the acquisition, construction and installation of the Project, capitalized interest, [a deposit to the Reserve Account] and the Costs of Issuance related thereto. Such proceeds, and the proceeds of any Completion Certificates and Refunding Certificates, shall be deposited in the funds and accounts created by the Trust Agreement.

(b) Attached hereto as Exhibit A and incorporated herein by this reference is the Lease Schedule setting forth certain information with respect to the Project.

SECTION 3.02. RIGHT OF ENTRY. In order to enable the Corporation to carry out the terms of this Lease Agreement, to provide for the acquisition, construction and installation of the Project and to facilitate the exercise of remedies upon an Event of Default or Event of Non-Appropriation hereunder, the City hereby grants a right of entry to the Corporation, its agents and assignees, including, without limitation, the Trustee, to the Land and the Project. The City represents that it is empowered to grant such right of entry to the Corporation and the Trustee.

SECTION 3.03. ACQUISITION AND CONSTRUCTION OF THE PROJECT.

(a) The Corporation shall provide for the acquisition, construction and installation of the Project pursuant to the Corporation Resolution, the Act and Section 3.03 hereof. The Corporation hereby appoints the City as its agent to carry out all phases of the acquisition, construction and installation of the Project, and the City, as agent of the Corporation, assumes all rights, duties, responsibilities and liabilities of the Corporation regarding the acquisition, construction and installation of the Project, except as limited herein. Amounts on deposit in the

Project Account held by the Trustee pursuant to the Trust Agreement shall be disbursed by the Trustee to pay Costs of the Project. Such disbursements shall be made pursuant to one or more Requisitions, a form of which is attached to the Trust Agreement, submitted by an Authorized Officer of the City to the Trustee in accordance with the procedures set forth in the Trust Agreement. The Corporation hereby agrees that the City may be reimbursed for expenditures of moneys paid by the City for Project Costs in anticipation of the issuance of the Series 2015 Certificates by filing Requisitions required by the Trust Agreement.

(b) The City, as agent of the Corporation, shall have sole responsibility for, and shall supervise the acquisition, construction and installation of the Project. The City shall monitor the performance by each Vendor or Contractor to the extent the City deems appropriate. The City shall permit the Corporation to inspect the Project at any and all reasonable times upon giving the City prior notice of the inspection. The Corporation shall comply with all rules and regulations established by the City with respect to personal safety and security during such inspections.

(c) The Corporation hereby assigns to the City all rights and powers to enforce and execute in its own name or the name of the Corporation such purchase orders, agreements or contracts (including, without limitation, payment, performance and completion bonds) as are required for the Project which enforcement may be at law or in equity; provided, however, that the assignment made by the Corporation herein shall not prevent the Corporation from asserting said rights and powers in its own behalf following written notice to the City.

(d) The Corporation shall not be responsible for payment of, nor shall it pay nor permit to be paid by Trustee pursuant to the Trust Agreement, any amount for the Project in excess of the amount available therefor in the Project Account held by the Trustee pursuant to the Trust Agreement.

(e) The Corporation shall have the right, but not the duty, to inspect periodically the books and records of the City relating to the Project, and the City shall permit the Corporation to make such inspections thereof at all reasonable times as the City shall deem appropriate.

(f) The City agrees that it will be the sole responsibility of the City that the Project will be acquired, constructed and installed in accordance with the plans and specifications approved by the City, as the same may be amended from time to time as permitted herein.

(g) The City hereby agrees to use its best efforts to obtain, in each construction contract, provisions such that if the acquisition, construction or installation of any portion of the Project has not been completed by the Contractor through the fault of such Contractor by the date set forth therein, the City may assess liquidated damages against the Contractor for each day completion is delayed in an amount equal at least to the part of the Lease Payments associated with such portion of the Project not completed, prorated to obtain a daily rate.

(h) The City may, at any time prior to the Completion Date for the Project, make modifications to the Project and substitute and release items or components constituting a portion of the Project, but only in accordance with the provisions of this Section 3.03(h) if (i) the City files with the Trustee a certificate of an Authorized Officer of the City notifying the Trustee of

such modification, addition, substitution or release, identifying the portion of the Project which is modified, added, substituted or released, and certifying that after such modification, addition, substitution or release amounts on deposit in the Project Account, together with interest earnings thereon and any additional legally available sums of the City deposited therein, will be sufficient to pay all remaining Costs of the Project, including Project Costs incurred in connection with such modification, addition, substitution or release and the Project Costs which shall have accrued but remain unpaid as of such date, (ii) if necessary, the estimated Completion Date for the Project amended, as necessary, to take into account the portion of the Project that is modified, added, substituted or released, and (iii) no change shall be made in the schedule of Basic Rent Payments. If the total Costs of the Project exceed the amount estimated therefor, the City shall take the actions set forth in Section 3.05 hereof as a condition precedent to such modification, addition or substitution.

(i) For purposes of this Lease Agreement, all materials and services in respect of which amounts are paid by the Trustee for the acquisition, construction and installation of the Project (including moneys disbursed pursuant to Section 6.04 of the Trust Agreement for Costs of Issuance) shall be accepted by the City and the City hereby agrees that it will, subject to the provisions of Section 7.01 hereof, pay the Lease Payments in respect of same. The provisions of this Section 3.03(i) shall not in any way limit or affect the Corporation's or the City's rights to pursue warranty or other claims arising therefrom against any Contractor, Vendor or supplier of labor or materials of the Project, or any portion thereof. Execution of a Requisition by the City in accordance with the Trust Agreement shall constitute approval and acceptance by the City, in the manner provided in the Trust Agreement, of the items or portions of the Project identified therein for all purposes hereunder.

(j) The Corporation and the City shall at all times keep title to their respective interests in the Land and the Project free and clear of all liens and encumbrances of every kind whatsoever, except Permitted Encumbrances.

SECTION 3.04. PAYMENT OF COSTS OF ISSUANCE. Payment of Costs of Issuance for the Certificates shall be made pursuant to a Requisition in substantially the form of Exhibit E to the Trust Agreement, from moneys deposited with the Trustee in the Costs of Issuance Account. Costs of Issuance shall be disbursed in accordance with and upon compliance with Section 6.04 of the Trust Agreement.

SECTION 3.05. LIMITATIONS ON ACQUISITION AND CONSTRUCTION. The amount of moneys available under the Trust Agreement to pay for Project Costs and Costs of Issuance for the Project is limited to the amounts available therefore from time to time in the Project Account. If the City agrees to an increase in the Cost with respect to any portion of the Project or there is a cost overrun or change order as a result of a substitution or modification in the Project as described in Section 3.03 hereof, and in either case the amount in the Project Account, together with interest earnings thereon, is not sufficient to pay such Project Costs and complete the acquisition, construction and installation of the Project, then either (a) the City shall deposit to the credit of the Project Account, but only from Available Revenues legally appropriated therefor, the additional funds necessary to reduce such deficiency to zero (as certified to the Trustee in writing by an Authorized Officer of the City), or (b) the City shall

provide to the Corporation an amended Project budget showing such changes to the Project the result of which is no cost deficiency and that are certified to the Trustee as accurate in writing by an Authorized Officer of the City.

SECTION 3.06. WARRANTIES. The execution, delivery and submission of a Requisition to the Trustee by the City shall constitute and be deemed to be an affirmative representation and warranty that no earlier Requisition has been submitted to the City for the same items to the extent that such Requisition or portion thereof has been paid or approved by the City for payment and that the materials or work and services have been furnished or performed in accordance with the provisions hereof. The execution by the City of a Requisition in accordance with the Trust Agreement for any portion of the Project thereby shall constitute a representation by the City, without further act, that it has (a) thoroughly inspected such portion of the Project described therein, and (b) satisfied itself that such portion of the Project is suitable for its purposes.

SECTION 3.07. UNEXPENDED MONEYS IN COST OF ISSUANCE ACCOUNT. The Corporation and the City agree that unexpended moneys remaining in the Costs of Issuance Account shall be applied in accordance with Section 6.04 of the Trust Agreement.

SECTION 3.08. COMPLETION OF PROJECT. Upon completion of acquisition, construction and installation of all of the Project, the City will deliver a Certificate of Acceptance in the form attached hereto as Exhibit B to the Trustee, [with a copy to the Series 2015 Insurer], in order for the Trustee to make the final advances therefor in accordance with the provisions of the Trust Agreement. Pursuant to the Trust Agreement, upon the filing of such Certificate of Acceptance any amounts remaining in the Project Account shall, if the City so elects, be retained in such Project Account to pay any remaining Costs of the Project or be applied to reimburse the City for Costs of the Project funded by the City from sources other than Certificate proceeds, provided an opinion of Special Counsel is first delivered to the Trustee concluding that such application will not cause the exemption from federal income tax of the interest portion of the Basic Rent Payments represented by the Certificates (other than Taxable Certificates) to be adversely affected by such application (which opinion of Special Counsel shall not be required when only Taxable Certificates are Outstanding) and, thereafter, any balance remaining shall be transferred to the Lease Payment Fund and applied as a credit to Basic Rent Payments due under the Lease Schedule in accordance with Section 6.06(a) of the Trust Agreement. Pursuant to the Trust Agreement, in the event that the Lease Term terminates prior to the execution by the City of a Certificate of Acceptance, the Trustee shall transfer all amounts remaining in the Project Account to the special account established by the Trustee for the Certificates pursuant to Section 8.04 of the Trust Agreement and applied in accordance with said Section 8.04.

ARTICLE IV
LEASE OF PROJECT; LEASE PAYMENTS

SECTION 4.01. LEASE OF PROJECT. In consideration of the payment by the City to the Corporation, or its assignee, of the Lease Payments and for other valuable consideration, the Corporation hereby leases the Land and the Project to the City upon the terms and conditions contained herein, as supplemented by the Lease Schedule. The City may modify the Project or may substitute or release components or portions of the Project as provided in Sections 3.03(h) and 5.14 hereof.

SECTION 4.02. TERM OF AGREEMENT. Effective as of the Commencement Date described in the Lease Schedule, the Corporation agrees to rent and lease to the City and the City agrees to rent and lease from the Corporation the Land and the Project for the Initial Lease Term. The Initial Lease Term shall commence on the Commencement Date and terminate on the Initial Lease Termination Date. Unless this Lease Agreement is terminated pursuant to Sections 4.06, 7.01 or 7.03 hereof, this Lease Agreement will automatically be renewed on the Initial Lease Termination Date and each succeeding Renewal Term Termination Date for the next succeeding Renewal Lease Term until all Lease Payments shall be made and the Certificates are no longer Outstanding. Each Renewal Lease Term shall be for a period of one (1) year. The number of Renewal Lease Terms plus the Initial Lease Term shall not exceed the Maximum Lease Term.

SECTION 4.03. LEASE PAYMENTS.

(a) For the right to use and possession of the Land and the Project, the City shall, subject to the provisions of Sections 4.06 and 7.01 hereof, pay to the Trustee, as assignee of the Corporation, the Basic Rent and the Supplemental Rent as hereinafter described.

(b) The City agrees to pay as lease rental hereunder for the Land and the Project, the Basic Rent no later than the Basic Rent Payment Dates as set forth in the Lease Schedule, as the same may be modified or amended from time to time following any prepayment of Basic Rent. Basic Rent Payments consist of a Principal Component and an Interest Component which shall be stated in the Lease Schedule (although only an Interest Component may be payable on certain Basic Rent Payment Dates). The portion of Basic Rent attributable to the Interest Component shall not exceed the maximum rate permitted by Section 215.84, Florida Statutes. The City hereby agrees that it shall make all Basic Rent Payments coming due on each Basic Rent Payment Date subject to the provisions of Sections 4.06 and 7.01 hereof. All Basic Rent Payments shall be paid on the Basic Rent Payment Dates. The City shall pay the Basic Rent due hereunder to the Trustee at its Principal Office and the Trustee shall apply such payments as provided in the Trust Agreement. Subject to the prepayment provisions of the Trust Agreement, to the extent that moneys have been deposited and are available with the Trustee from the proceeds of Certificates or otherwise for the purpose of paying Basic Rent pursuant to Section 6.01 of the Trust Agreement, the City shall receive a credit against its obligation to pay such Basic Rent for such amounts on deposit with the Trustee.

(c) To assure timely payment of each Basic Rent Payment, the City shall deposit with the Trustee, on the fifteenth (15th) day of the month preceding each Payment Date after the commencement of the City's obligation to pay Basic Rent Payments from Available Revenues as set forth in Section 4 of the Lease Schedule, an amount of Available Revenues equal to the Basic Rent Payment coming due on the next Basic Rent Payment Date. Notwithstanding the foregoing, however, no deposits of Available Revenues need be made by the City with the Trustee when the moneys held in the Interest Account in the Lease Payment Fund are equal to the Interest Component of the Basic Rent Payment coming due on the next Basic Rent Payment Date on which the Interest Component becomes due, and the moneys held in the Principal Account in the Lease Payment Fund are equal to the Principal Component of the Basic Rent Payment coming due on the next Basic Rent Payment Date on which the Principal Component becomes due.

(d) Each payment of Basic Rent due hereunder shall be for the right to possess the Land and the Project for each Fiscal Year in which moneys have been appropriated by the City to pay the Basic Rent coming due in such Fiscal Year, provided that the Basic Rent for the period for which a portion of the proceeds of the Certificates or other funds have been deposited with the Trustee shall be paid from such proceeds or other funds, it being hereby acknowledged that said moneys constitute special funds held by the Trustee pursuant to the Trust Agreement to be applied for such purpose.

(e) Beginning with the first Basic Rent Payment Date and on each Basic Rent Payment Date thereafter during which the Project is leased hereunder, there shall be applied as a credit (provided there are no delinquent Basic Rent Payments) against the aggregate amount of Basic Rent payable on such date an amount which shall be stated in a report of the Trustee given to the City pursuant to Section 6.13 of the Trust Agreement, which amount shall be equal to the sum of (i) the amount of interest and other income deposited in the Interest Account pursuant to Section 6.06 of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.13 of the Trust Agreement, (ii) the amount of moneys, if any, transferred to the Interest Account and Principal Account pursuant to Section 6.03, Section 6.04 and Section 6.05 of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.13 of the Trust Agreement, (iii) the amount of moneys, if any, transferred to the Interest Account pursuant to Section 6.07(g) of the Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.13 of the Trust Agreement, plus (iv) the amount if any, on deposit in the Principal Account and Interest Account on the date of the report made by the Trustee pursuant to Section 6.13 of the Trust Agreement which is not derived from the sources described in clauses (i), (ii) and (iii) above. In the event that the total amount of credit exceeds the Basic Rent due on any Basic Rent Payment Date, the amount of said excess shall be applied as a credit against subsequent Basic Rent Payments. In addition, the Basic Rent may be reduced if the City chooses to prepay any or all of the Basic Rent. Whenever moneys in the Lease Payment Fund, including the Reserve Account, shall be sufficient to pay the principal of, Amortization Installments, and interest coming due on the Certificates, moneys in the Reserve Account shall be deposited in the Interest Account and the Principal Account as required to pay the Certificates, subject to the provisions of the Trust Agreement, and no further Basic Rent Payments shall be required hereunder. Should any Basic Rent be paid later than the Basic Rent Payment Date to which such Basic Rent pertains, such Basic Rent shall bear interest at the

Overdue Rate from such Basic Rent Payment Date to and inclusive of the date of actual payment. The Trust Agreement shall provide that the Trustee will invest the amounts, if any, in the Reserve Account and apply investment earnings on such amounts in the manner required by the Trust Agreement.

(f) In addition to the Basic Rent, the City hereby agrees to pay as provided herein, Supplemental Rent. The term "Supplemental Rent" shall include, without limitation, any Prepayment Premium attributable to the Certificates, all payments required by the Trust Agreement and this Lease Agreement to be payable for Extraordinary Prepayment not covered by insurance or condemnation proceeds pursuant to Section 5.08(b), (c) and (d) hereof, payment of taxes, assessments or other governmental charges pursuant to Section 5.09 hereof, payments required pursuant to Section 6.04 hereof, payments to any Rebate Analyst and payments required pursuant to Section 6.10 of the Trust Agreement. The Supplemental Rent shall be paid to the Trustee for application in accordance with the terms hereof and of the Trust Agreement and shall be payable solely from Available Revenues budgeted and appropriated for that purpose by the City; provided, however, the City may pay the portion of the Supplemental Rent representing the annual fee of the Corporation as set forth in the Lease Schedule directly to the Corporation, instead of making such payment to the Trustee, on or before January 1 of each year during the Lease Term.

(g) The City hereby authorizes the Trustee, as assignee of the Corporation, (i) to create a Reserve Account to be held by the Trustee under the Trust Agreement, (ii) to deposit in the Reserve Account either a portion of the proceeds from the sale of the Certificates or a Reserve Account Surety Bond equal to the Reserve Requirement or combination thereof, and (iii) to use such amounts or amounts drawn on the Reserve Account Surety Bond deposited in the Reserve Account as set forth in Section 6.07 of the Trust Agreement; provided, however, nothing herein shall require any series of Certificates to be secured by the Reserve Account or to have a Reserve Requirement [and the Series 2015 Certificates shall [not] be secured by the Reserve Account]. In the event the aggregate amount of any cash, the value of any Permitted Investments and the stated amount of any Reserve Account Surety Bond in the Reserve Account shall be less than the Reserve Requirement provided therefor, the City shall pay to the Trustee, if such deficiency is due to a transfer from the Reserve Account, the City shall pay the Trustee from Available Revenues budgeted and appropriated for such purpose by the City, as Supplemental Rent, the amount necessary to reimburse the Reserve Account Surety Bond provider and the amount which the Trustee can draw upon such Reserve Account Surety Bond shall be reinstated to equal the Reserve Requirement for such Certificates (or its original stated amount, if the City shall have deposited into the Reserve Account a combination of cash and a Reserve Account Surety Bond pursuant to this Section). In the event a Reserve Account Surety Bond on deposit in the Reserve Account expires or is terminated, the City shall, simultaneously with such expiration or termination, either replace such Reserve Account Surety Bond with a subsequent Reserve Account Surety Bond with a stated amount equal to that of the expired or terminated Reserve Account Surety Bond or transfer to the Trustee, for deposit in the Reserve Account in which such Reserve Account Surety Bond had been deposited, an amount of cash equal to the stated amount of such expired or terminated Reserve Account Surety Bond.

(h) The Corporation and the Trustee are entitled to accept, receive and cash or deposit any payment made by or on behalf of the City for any reason or purpose in any amount whatsoever. No endorsement or statement on any check or letter of the City shall be deemed an accord and satisfaction or otherwise recognized for any purpose whatsoever. The acceptance of any such payment shall be without prejudice to the Corporation's and Trustee's right to recover any and all amounts owed by the City hereunder and the Corporation's and Trustee's right to pursue any other available remedy but in all events payable only from Available Revenues lawfully appropriated to the payment of amounts coming due under this Lease Agreement.

SECTION 4.04. PAYMENT IN LAWFUL MONEY; NO SET-OFF. Each Lease Payment shall be paid by the City in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, to or upon the order of the Corporation at the Principal Office of the Trustee or at such other place as the Corporation, or its assignee, shall designate. Notwithstanding any dispute between the City and the Corporation, but in all events subject to Sections 4.06 and 7.01 hereof, the City shall make or cause to be made each and all Lease Payments when due and shall not withhold or permit to be withheld any Lease Payments pending the final resolution of such dispute nor shall the City assert or permit to be asserted any right of setoff, abatement or counter-claim against the obligation to make Lease Payments as set forth herein.

SECTION 4.05. SOURCE OF LEASE PAYMENTS.

(a) The City represents and warrants that, for the Initial Lease Term and upon the renewal hereof for any Renewal Lease Term, the obligation of the City to make Lease Payments hereunder, for such Fiscal Year of the City, shall constitute a current expense of the City and shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the City. THE PAYMENTS DUE HEREUNDER ARE TO BE MADE ONLY FROM AVAILABLE REVENUES APPROPRIATED BY THE CITY FOR SUCH PURPOSE AND NEITHER THE CITY, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE HEREUNDER FROM SOURCES OTHER THAN APPROPRIATED REVENUES, AND THE FAITH AND CREDIT OF NEITHER THE CITY, NOR THE STATE NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED FOR PAYMENT OF SUCH SUMS DUE HEREUNDER AND THE OBLIGATIONS ARISING HEREUNDER DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

(b) All payments of Basic Rent required to be made by the City under this Lease Agreement shall be made when due without notice or demand, and, subject to Section 7.01 hereof, shall be absolute and unconditional and without any set-off, counterclaim, abatement, deduction or defense (other than satisfaction and discharge of the Certificates to which such payment relates) whatsoever. The City shall not make partial payment of the Basic Rent coming

due on any Basic Rent Payment Date, except in a case in which funds are on deposit or being transferred from another source for the account or on behalf of the City.

(c) Subject to the City's right of non-appropriation pursuant to Section 7.01 hereof, the City hereby covenants that it will cause the City Manager of the City to provide for the Lease Payments coming due in the following Fiscal Year in his or her annual Budget recommendation in accordance with the Act. Except as otherwise provided in Section 7.01 hereof, the City agrees to take such action as may be necessary to include all such Lease Payments (other than Lease Payments to the extent paid from Certificate proceeds or other funds then on deposit in the Lease Payment Fund) due hereunder in its annual Budget. During the term of this Lease Agreement, the City will furnish to the Trustee, as assignee of the Corporation, a copy of each adopted annual Budget as soon as available. Any provision in this Lease Agreement or the Trust Agreement to the contrary notwithstanding, the City and the Corporation agree that this Lease Agreement, the Trust Agreement and all of the City's obligations to make the Lease Payments are subject to, and can be terminated by the City upon the happening of an Event of Non-Appropriation as described in Section 7.01 hereof; provided, however, that the City shall not be released from or subject to relief with respect to any obligations on its part arising or accruing prior to such termination provided such obligation shall be payable only from Available Revenues.

(d) The City hereby agrees that, within three Business Days after the adoption or approval of the final annual Budget which does not include the full amount of the Lease Payments coming due in the following Fiscal Year, it will give notice of that fact to the Trustee and the Insurer, if any.

SECTION 4.06. OPTIONAL PREPAYMENT; DEFEASANCE.

(a) The City shall have the option, so long as no Event of Default or Event of Non-Appropriation hereunder has occurred and is continuing, from any moneys then available for such purpose, on any Optional Prepayment Date to prepay all or a portion of the Basic Rent upon not less than forty-five (45) days written notice given prior to such Optional Prepayment Date. Any prepayment notice delivered pursuant to this Section 4.06(a) shall state (i) that the City is exercising its right of prepayment pursuant to Section 4.06(a) of the Lease Agreement, (ii) the amount of such prepayment, (iii) the Optional Prepayment Date to which such prepayment applies, (iv) the amount of prepayment applicable to the Certificates and maturities of such Certificates, and (v) that the deposit with the Trustee of such prepaid amount constitutes an irrevocable option of the City to prepay Basic Rent in the amount of such prepayment. Each prepayment shall be in an amount equal to the Prepayment Price of Certificates (in denominations of $5,000 or any whole multiple thereof) to be prepaid on such Optional Prepayment Date designated by the City in such notice of prepayment, all as provided in the Trust Agreement. Interest on Certificates to be prepaid pursuant to an optional prepayment under this Section accrued to the Optional Prepayment Date set forth in the notice of prepayment above shall be paid by the Trustee from moneys on deposit in the Prepayment Fund and the Interest Account.

(b) In the event of a prepayment, in part, of Basic Rent Payments, such Basic Rent Payments provided in the Lease Schedule shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component of the remaining Basic Rent resulting from such prepayment. Such adjustment shall be done in such manner as to match remaining payments of Basic Rent provided in the Lease Schedule with principal and interest coming due on Certificates which remain Outstanding.

(c) So long as no Event of Default or Event of Non-Appropriation has occurred and is continuing, the City may secure the payment of Basic Rent by a deposit with the Trustee, as provided in, and subject to the terms and provisions of, Section 12.01 of the Trust Agreement, of either (i) an amount of moneys which is sufficient to pay such Basic Rent, including the Principal Component, Interest Component and Prepayment Premium, if any, on the Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due, or (ii) Refunding Securities, together with cash, if required, in such amount as will, together with interest to accrue thereon, be fully sufficient to pay such Basic Rent including the Principal Component, Interest Component and Prepayment Premium, if any, on their Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due. Upon the City meeting the requirement of this Section 4.06(c), the Corporation and its assignee shall be entitled to payment of such Basic Rent Payments solely from such cash and/or Refunding Securities.

(d) In the event Refunding Certificates are issued which refund only a portion of Outstanding Certificates, the schedule of Basic Rent Payments affected by such Refunding Certificates will remain the same but a credit will be given to the City by the Trustee to take into account that payment of a portion of the Principal Component and the Interest Component has been provided for by such refunding or defeasance of such portion of the Certificates from the issuance of said Refunding Certificates.

(e) In the event of a deposit with the Trustee of moneys and/or Refunding Securities for the purpose of paying or providing for payment of Certificates in accordance with Article XII of the Trust Agreement, all covenants, agreements and other obligations of the City under this Lease Agreement, with respect to such Certificates shall be deemed performed except (i) those provisions hereof which by their express terms survive any such payment and defeasance and (ii) the obligation of the City to make or cause to be made, Basic Rent Payments and Supplemental Rent payments on or for such Certificates from the moneys and/or Refunding Securities deposited pursuant to said Article XII of the Trust Agreement.

SECTION 4.07. OWNERSHIP. Upon the Commencement Date and throughout the Ground Lease Term, fee title to the Land shall be in the name of the City, subject to Permitted Encumbrances, title to all Equipment, furniture and fixtures on the Land shall at all times remain with the City, and title to the Project constructed on the Land shall be with the Corporation and remain therein until the earlier of (i) the date on which the Series 2015 Certificates are no longer Outstanding under the Trust Agreement, and (ii) the end of the term of this Lease Agreement. Possession and use of the Land, together with all improvements thereon, shall, upon the last day of the Ground Lease Term automatically revert to the City free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by

the Corporation or any Permitted Transferee. Upon such termination of the Ground Lease Term, the Corporation shall peaceably and quietly surrender to the City the Land together with any improvements located in or upon the Land. Upon such surrender of the Land, the Corporation, at the reasonable request of the City, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the City all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Land in the possession of the Corporation.

SECTION 4.08. REFUNDING RENT. With respect to any series of Refunding Certificates, all or a portion of the proceeds of the Refunding Certificates shall be deposited in an Escrow Account to provide for the defeasance of the Refunded Certificates pursuant to the provisions of the Trust Agreement. Commencing on the execution and delivery of such Refunding Certificates, the City hereby agrees to pay Refunding Rent on the dates and in the amounts set forth in a subsequent Schedule to the Lease Schedule designated therein as "Refunding Rent," provided, however, that by depositing into the Escrow Account cash and/or Refunding Securities sufficient to pay, when due, all such Refunding Rent, the City shall be deemed to have paid in full such Refunding Rent and further payments of such Refunding Rent shall in no event thereafter be due and owing hereunder by the City. Pursuant to the terms of the Escrow Deposit Agreement establishing the Escrow Account, the Escrow Agent shall be irrevocably directed by the City to use and apply the cash and maturing principal, interest and investment earnings of the Refunding Securities on deposit in the Escrow Account to the payment, when due, to the Trustee for the benefit of the principal of, interest on, and prepayment premium, if any, with respect to the Refunded Certificates as the same come due. Such payments from the Escrow Account to the Trustee for payment to the holders of the Refunded Certificates shall be deemed to constitute payments by the City to such holders of Refunding Rent pursuant to this Lease Agreement. The obligation to pay Refunding Rent in the manner aforesaid from the Escrow Account shall, any provision of this Lease Agreement to the contrary notwithstanding, survive the termination of this Lease Agreement. Refunding Rent shall be deemed, for all purposes of the Refunded Certificates and the Trust Agreement, as Basic Rent payable under this Lease Agreement.

ARTICLE V
COVENANTS; REPRESENTATIONS AND WARRANTIES

SECTION 5.01. GENERAL COVENANTS, REPRESENTATIONS AND WARRANTIES.

(a) The City agrees that this Lease Agreement shall continue in full force and effect, subject to the provisions of Section 7.01 hereof, regardless of the inability or unwillingness of the City to use the Project because of any reason whatsoever, including, but not limited to, wear, act of God, war, strike, condemnation, loss or damage, defect, failure of title or consideration, obsolescence or breach of warranty. The City covenants and represents that this Lease Agreement, the Trust Agreement and the Ground Lease and the performance of the City's obligations hereunder and thereunder have been duly approved, authorized, executed and delivered with all proper procedures fully complied with, and that this Lease Agreement, the

Trust Agreement and the Ground Lease are the valid, legal and binding obligations of the City enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles. The City further covenants and represents as follows:

(1) The City is a duly created municipal corporation existing under the laws of the State.

(2) Except as may be set forth in the Offering Statement for the Series 2015 Certificates, there are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization or performance of, or expenditure of funds pursuant to, this Lease Agreement, the Trust Agreement or the Ground Lease.

(3) The City has an immediate need and expects to make immediate use of the Project, which need shall not be temporary or be expected to diminish during the Maximum Lease Term.

(4) There are no circumstances presently known to the City affecting the City that could reasonably be expected to alter its foreseeable need for the Project or adversely affect the City's ability or willingness to budget and appropriate Available Revenues for the payment of all sums due hereunder.

(5) Subject to the provisions of Section 7.01 of this Lease Agreement, the City intends to make payments for each Fiscal Year from Available Revenues.

(6) All procedures required by applicable law regarding the award or negotiation of contracts relating to the acquisition, construction and installation of the Project will be complied with by the City.

(7) At the Corporation's or the Trustee's request, the City shall execute and deliver to the Corporation or the Trustee all instruments and do all other acts reasonably necessary to effectuate the intent of this Lease Agreement.

(8) The City shall give the Trustee prompt written notice of any material litigation or proceedings concerning the City or the Project and of any dispute concerning the City or the Project, if the dispute may substantially interfere with the timely acquisition, construction and installation of the Project or the City's utilization thereof or with the City's ability to meet its obligations under this Lease Agreement.

(9) If an Event of Default or an Event of Non-Appropriation hereunder has occurred, at the Trustee's option, the Trustee, as assignee of the Corporation, may make, but is not required to make, any or all subsequent disbursements from the Project Account directly to the Vendors or Contractors of the Project. The City's execution of this Lease Agreement and the Lease Schedule constitutes an irrevocable authorization for the Trustee to make disbursements directly to such Vendors or Contractors in accordance with the provisions of the Trust Agreement. In the absence of negligence or misconduct

on the part of the Trustee, the City agrees that all disbursements made to the Vendors or Contractors shall constitute full performance of the Trustee's obligations to the City under this Lease Agreement. The Trustee's decision to make a disbursement shall not constitute a waiver of any of the provisions of this Lease Agreement and the Lease Schedule. If the City is in default under this Lease Agreement and the City is unable to cure its default, the Trustee's decision to make a disbursement shall not preclude the Trustee, as assignee of the Corporation, from declaring the City in default under this Lease Agreement.

(b) The Corporation covenants and represents that this Lease Agreement, the Trust Agreement, the Ground Lease and the Assignment of Leases and the performance of the Corporation's obligations hereunder and thereunder have been duly approved, authorized, executed and delivered with all proper procedures fully complied with, and that this Lease Agreement, the Trust Agreement, the Ground Lease and the Assignment of Leases are the valid, legal and binding obligations of the Corporation enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles. The Corporation further covenants and represents as follows:

(1) The Corporation is a duly created not-for-profit corporation existing under the laws of the State.

(2) Except as set forth in the Offering Statement for the Series 2015 Certificates, there are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization or performance of, or expenditure of funds pursuant to, this Lease Agreement, the Trust Agreement, the Ground Lease or the Assignment of Leases.

(3) All procedures required by applicable law regarding the award or negotiation of contracts relating to the acquisition, construction and installation of the Project will be complied with by the Corporation.

(4) At the City's or the Trustee's request, the City shall execute and deliver to the City or the Trustee all instruments and do all other acts reasonably necessary to effectuate the intent of this Lease Agreement.

(5) The City shall give the Trustee prompt written notice of any material litigation or proceedings concerning the Corporation or the Project and of any dispute concerning the Corporation or the Project, if the dispute may substantially interfere with the timely acquisition, construction and installation of the Project or the City's utilization thereof or with the Corporation's ability to meet its obligations under this Lease Agreement, the Trust Agreement, the Ground Lease or the Assignment of Leases.

(6) The City shall commence construction of the Project and diligently pursue construction to completion of the Project without permitting any lien, claim, or assessment (actual or contingent) to be asserted or filed against the Project for any material, labor, or other item furnished in connection with the construction, which claim, lien, or assessment is not satisfied or transferred to bond within twenty (20) days after it is asserted or filed. At all

times during the acquisition and construction of the Project, and to the extent required by law, the City shall comply with the Florida Mechanics' Lien Law, Chapter 713, Florida Statutes, and Section 255.05, Florida Statutes, to the extent each shall be applicable, and with all requirements imposed by all governmental authorities having jurisdiction over the acquisition and construction and by all insurance underwriters providing insurance for the Project. The City shall cause each Contractor to obtain and deliver to the City performance and payment bonds covering one hundred percent (100%) of the value or costs for the construction of the Project pursuant to applicable law.

SECTION 5.02. ADDITIONAL COVENANTS, REPRESENTATIONS AND WARRANTIES.

(a) The City represents and warrants that the execution by the City of each Requisition in accordance with the Trust Agreement shall constitute an affirmation by the City of the completeness and accuracy of the following representations and warranties (which may be given in good faith reliance on written opinions, certificates, statements and affidavits) as of the date of such execution:

(i) All contracts, purchase orders and agreements relating to the Project are presently in full force and effect according to their respective terms; the City is not in default under such contracts, purchase orders and agreements; and the City has no knowledge of any violation of such contracts, purchase orders and agreements.

(ii) Except as set forth in the Offering Statement for the Series 2015 Certificates, there are no governmental actions or proceedings (except actions or proceedings that are fully covered by insurance) pending or, to the City's knowledge, threatened affecting the City or, to the City's knowledge, pending or threatened affecting the Project, which, if adversely determined, would materially adversely impair the City's ability to perform its obligations under this Lease Agreement.

(iii) The City knows of no violation and has no notice of a violation of any court order or of any law, regulation, ordinance, rule, order, code or requirement of any governmental authority having jurisdiction over all or any portion of the Project that may materially detrimentally affect the development and operation of the Project as planned.

(iv) The Land is appropriately zoned for construction, installation and operation of the Project or such zoning can be obtained in the ordinary course.

(v) All utility services necessary for the construction of the Project and the operation of the Project have been or will be extended to the Land, including, but not limited to, water, storm and sanitary sewer facilities, electricity and telephone service or sufficient amounts have been deposited in the Project Account for such purpose.

(vi) All representations, warranties, covenants and agreements made by the City in connection with this Lease Agreement may be relied upon by the Corporation and the

Trustee notwithstanding any independent investigation made on behalf of the Corporation or the Trustee.

(vii) The rights of way for all roads necessary for the proposed utilization of the Project have been acquired by the appropriate governmental authority or dedicated to and accepted by the appropriate governmental authority.

(viii) The City shall promptly correct any defect in the acquisition, construction and installation of the Project.

(ix) The City shall provide the Trustee the following additional assurances, upon request of the Trustee, provided, however, that the Trustee is not obligated to make such requests:

(A) If requested and applicable, but only as and when available, all certificates of occupancy, footing or foundation surveys, "as built" surveys, certificates, appraisals, reports, endorsements, and agreements, the names of all Persons with whom the City has contracted or intends to contract with in connection with the acquisition, construction and installation of the Project, schedules of all statements for labor and materials for the acquisition, construction and installation of the Project together with copies of all statements, copies of all budget revisions concerning the acquisition, construction and installation of the Project, indicating the funds required at any given time to complete such acquisition, construction and installation, and any other documents reasonably required to be furnished.

(B) If requested, during the acquisition, construction and installation of the Project and upon completion of such acquisition, construction and installation, furnish an Architect's or Engineer's written opinion to the effect that the Project, as constructed, complies with all restrictions recorded and with all applicable governmental laws, regulations, rules, ordinances, orders and codes relating to the construction thereof.

(C) Furnish when available, a certificate of occupancy and all other similar certificates required to be issued by any governmental agency in connection with the acquisition, construction, installation or occupancy of the Project.

(x) The City shall employ a licensed Architect to supervise the acquisition, construction and installation of the Project.

(xi) The City shall employ a licensed Engineer to supervise the acquisition, construction and installation of the Project.

SECTION 5.03. QUIET ENJOYMENT. The parties hereto mutually covenant that the City, by keeping and performing the covenants and agreements herein contained, shall at all times, prior to an Event of Default or an Event of Non-Appropriation during the term of this Lease Agreement, peaceably and quietly have, hold and enjoy the Land and the Project without

suit, trouble or hindrance from the Corporation and free from any claims by the Corporation and the Trustee and all persons claiming thereunder.

SECTION 5.04. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE. The City shall obtain, prior to commencement of construction of the Project and thereafter maintain throughout the Lease Term, subject to the requirements of State law and if reasonably available from a commercial carrier, a standard comprehensive general liability insurance policy or policies in protection of the City and the Corporation, their members, officers, agents and employees with respect to the Project. Said policy or policies shall at a minimum provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by the acquisition, installment or operation of the Project. Said policy or policies shall at a minimum provide coverage equal to the liability limits set forth in Section 768.28, Florida Statutes, as the same may be amended from time to time, and in a minimum amount of $500,000 for damage to property (subject, in each case, to a deductible clause as the City may determine from time to time). Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage that the City is required to carry. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid. Notwithstanding the foregoing, during acquisition, construction and installation of the Project, the insurance required by this Section 5.04 may be provided by the contractor constructing the Project.

SECTION 5.05. FIRE AND EXTENDED COVERAGE INSURANCE AND FLOOD INSURANCE.

(a) The City shall obtain, prior to commencement of construction of the Project and thereafter maintain throughout the Lease Term, subject to the requirements of State law, insurance against loss or damage to any part of the Project by fire or lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, also cover loss or damage by explosion, windstorm (including hurricane), riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to one hundred percent (100%) of the replacement cost of the Project (except that such insurance may be subject to deductible clauses not to exceed $100,000 in the aggregate for any one loss). Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City, provided such self-insurance complies with the provisions of Section 5.07 hereof. Such insurance shall explicitly waive any co-insurance penalty. In addition, full payment of insurance proceeds up to the policy dollar limit for the Project shall not be contingent on the degree of damage sustained at other facilities owned or leased by the City. The Net Proceeds of such insurance shall be applied as provided in Section 5.06 hereof. The City agrees to cooperate with the Corporation and the Trustee to provide such coverage in the form of self-insurance in compliance with Section 5.07 hereof if such insurance is not available at commercially reasonable cost from a commercial carrier. Notwithstanding the foregoing, during the acquisition, construction and installation of the Project, the City shall, in lieu of the foregoing, obtain builder's all risk damage insurance in an amount not less than the full value of

all work in place and materials and equipment provided or delivered by each supplier (which insurance may be provided by the contractor constructing the Project).

(b) The City shall cause to be maintained, flood insurance to be separately maintained for any property included in the Project that is located in a federally designated flood plain in such amounts per occurrence as are available at commercially reasonable costs and in a minimum amount equal to $500,000 unless not so available at commercially reasonable rates and, in any event, in minimum amounts necessary to qualify for federal disaster relief programs. In the event the City considers flood insurance to be unavailable at commercially reasonable rates, it shall so notify the Trustee. If the Trustee identifies insurance for such coverage at commercially reasonable rates, the City shall be obligated to cause such insurance to be obtained and maintained. In the event that the City determines that flood insurance is unavailable at commercially reasonable rates, the City shall maintain or cause to be maintained such flood insurance in whole in the form of self-insurance that complies with the provisions of Section 5.07 hereof.

(c) The insurance that the City is required to maintain or cause to be maintained pursuant to this Section 5.05 shall be provided by a commercial insurer rated "A" by A.M. Best or in the two highest rating categories of S&P and Moody's.

(d) Any insurance maintained pursuant to this Section 5.05 shall be so written or endorsed to provide that the Trustee (on behalf of the Certificate holders), the Corporation, each Insurer, if any, and the City are named as loss payees as their interests may appear.

SECTION 5.06. NET PROCEEDS OF INSURANCE; FORM OF POLICIES. Each policy of insurance obtained pursuant to or required by Section 5.05 hereof which relates to the Project shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Owners of the Certificates. The City shall pay or cause to be paid proceeds of self-insurance maintained pursuant to Sections 5.05 and 5.07 hereof to the Trustee for the benefit of the Owners of the Certificates. The City shall deliver or cause to be delivered fully executed copies of all policies of insurance required by this Lease Agreement, including the Lease Schedule, to the Trustee annually within 30 days of purchase or renewal. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement, and shall promptly furnish or cause to be furnished to the Trustee evidence of such payments. All such policies shall provide that the Trustee shall be given not less than thirty (30) days notice of each expiration, any intended cancellation and any intended reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the City.

SECTION 5.07. SELF-INSURANCE. Any self-insurance maintained or caused to be maintained by the City pursuant to the foregoing provisions, shall comply with the following terms:

(a) Except with respect to general liability reserves, the self-insurance program shall be approved by the Insurance Consultant;

(b) The self-insurance program shall include a sound claims reserve fund out of which each self-insured claim shall be paid; the adequacy of such fund shall be evaluated on an annual basis by the Insurance Consultant; and any deficiencies in the fund shall be remedied in accordance with the recommendations of the Insurance Consultant;

(c) The self-insurance program must be maintained on an actuarially sound basis and the City shall annually cause the Trustee to be provided with a certified actuarial statement attesting to the sufficiency of the program's assets;

(d) The self-insurance fund must be separately accounted for by the City and may be commingled with other City moneys in accordance with the customary practices of the City relating to its self-insurance fund;

(f) In the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund shall be maintained;

(g) The City may obtain the required insurance coverages through a self-insured governmental pool which meets the criteria described above;

(h) Amounts deposited into the self-insurance claims reserve fund shall not be subject to appropriation by the City in order to apply such funds to pay claims;

(i) No self-insurance will be permitted with respect to title insurance, if any, required by the Lease Agreement or the Trust Agreement.

SECTION 5.08. RISK OF LOSS; STIPULATED LOSS VALUES; USE OF PROCEEDS.

(a) As between the Corporation and the City, the City hereby assumes the entire risk of loss, from any and every cause whatsoever to the Project.

(b) Except as provided in Section 5.08(c) hereof, the City shall cause the Net Proceeds relating to the Project of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election received pursuant to Sections 5.05 and 5.07 hereof and of any title insurance award equal to or in excess of the amount required to repair, restore or replace the Project (the "Replacement Amount") for the Project to be applied first to the prompt repair, restoration or replacement of such destroyed, damaged, lost or condemned Project (which repair, restoration or replacement property shall become part of the Project). Except as otherwise provided herein, any such Net Proceeds shall be deposited with the Trustee in the Project Account and shall be disbursed by the Trustee in accordance with the Trust Agreement; provided, however, that any amounts remaining after completion of such repair, restoration or replacement shall be applied in accordance with Section 6.03(c) of the Trust Agreement. If such Net Proceeds are insufficient to pay for such repair, restoration or replacement, the City shall (from the City's Available Revenues) simultaneously deposit the amount of such deficiency with the Trustee, which deficiency shall constitute Supplemental

Rent. Any Net Proceeds of insurance or condemnation award or of any appropriation made in connection with self-insurance election that is equal to or less than the Replacement Amount for the Project may, at the option of the City, be applied in accordance with Section 6.03(c) of the Trust Agreement.

(c) The City may elect not to repair, restore or replace the Project or any portion of the Project which has been destroyed, damaged, lost or condemned, with the Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election, by filing a certificate with the Trustee stating that (i) it has made such election, (ii) it is not in the best interests of the City to repair, restore or replace the Project, or such portion thereof, and (iii) the City intends to abandon and cease to operate the Project, or portion thereof, damaged, destroyed, lost or condemned; provided, further, there shall be an Extraordinary Prepayment in accordance with Section 5.01 of the Trust Agreement in the amount of the Stipulated Loss Value (as hereinafter described) of the Project, or portion thereof, which is not repaired, restored or replaced, and, if the Net Proceeds are insufficient therefor, the deficiency shall constitute Supplemental Rent hereunder and shall be immediately due and payable from the City's Available Revenues.

(d) The Stipulated Loss Value attributable to a loss of all of the Project shall be computed as the amount necessary to pay the Principal Component of and Interest Component on the Certificates on the next succeeding Extraordinary Prepayment Date. In the event that less than all of the Project then subject to this Lease Agreement suffers such a loss, damage or destruction, the Stipulated Loss Value shall be the product of (i) the result computed by the foregoing sentence multiplied by (ii) a fraction, the numerator of which is the original Cost of the portion of the Project suffering such loss, damage or destruction and the denominator of which is the aggregate Project Cost for the entire Project then subject to this Lease Agreement, including those items suffering such loss, damage or destruction. In each case, the Stipulated Loss Value shall also include any Supplemental Rent or aliquot portion thereof, as the case may be, then due hereunder. Upon payment of such Stipulated Loss Value by the City, such Stipulated Loss Value shall be deposited to the credit of the Prepayment Fund for the sole benefit of the Owners of the Certificates. In the event of payment of the Stipulated Loss Value of a portion of the Project and the Certificates relating thereto, the schedule of Basic Rent Payments in the Lease Schedule for the Project shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component and the remaining Basic Rent resulting from such Extraordinary Prepayment. Such adjustment shall be done in such manner as to match remaining aggregate payments of Basic Rent with principal of and interest coming due on the Certificates that remain Outstanding, the proceeds of which were used to finance or refinance the acquisition and construction of such portion of the Project as shall remain.

SECTION 5.09. PAYMENT OF TAXES. In the event of a change of law which results in the levying of ad valorem taxes on the Project or the Land or sales tax with respect to this Lease Agreement, the City shall promptly provide a copy of any notice relating to any taxes, assessments or other governmental charges, if any, that may be levied, assessed or charged upon the Project to the Trustee. The City will pay or cause to be paid all taxes, assessments and other governmental charges, if any, relating to the Project or the Land, that may be levied, assessed or charged upon the Project, or any part thereof, promptly as and when the same shall become due

and payable but only from Available Revenues appropriated therefor; provided, however, that the City shall not be required to pay any such tax, assessment or charge, if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, the interest of the Corporation and the Trustee shall not be in immediate jeopardy and if the City shall set aside, or cause to be set aside, reserves deemed by it to be adequate with respect thereto; and, provided, further, that the City, upon the commencement of any proceedings to foreclose the lien of any such tax, assessment, or charge, will forthwith pay, or cause to be paid, any such tax, assessment or charge, but only from Available Revenues appropriated therefor unless contested in good faith as aforesaid. The City will not suffer, to the extent of Available Revenues appropriated therefor, the Project or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor. The City will also pay or cause to be paid all taxes, assessments and other governmental charges that may be imposed on the Corporation or its operations as a result of the transactions contemplated by this Lease Agreement but only from Available Revenues appropriated therefor. Notwithstanding any actions taken by the Corporation or Trustee hereunder, the City shall have the right (as provided by law) to contest in good faith by appropriate proceeding any taxes, assessments or charges, that may be levied, assessed or charged upon the Project. In the event of the absence or inadequacy of Available Revenues for the City to make any of the foregoing payments, the City agrees to use its best efforts to obtain a supplemental appropriation in an amount sufficient to make such payments not otherwise paid or provided for.

SECTION 5.10. CARE AND USE OF PROJECT.

(a) The City shall maintain the Project in good operating condition, repair and appearance, and protect same from deterioration other than normal wear and tear; shall cause the Project to be used in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any policy of insurance required under Sections 5.04 and 5.05 hereof and shall obtain all permits and licenses, if any, required by law for the operation of the Project. The City agrees that neither the Corporation nor the Trustee shall be responsible for latent defects, wear and tear or gradual deterioration or loss of service or use of the Project or any part thereof. As between the Corporation and the City, the City shall have the benefit of all warranties, contracts and rights against any Vendor, Contractor, materialmen or supplier. Neither the Corporation nor the Trustee shall be liable to the City or anyone else for any liability, injury, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the inadequacy of the Project or any item supplied by any Vendor, Contractor, developer, materialmen or supplier or any other party, any interruption of use or loss of service or use or performance of the Project, any loss of business or other consequence or damage, whether or not resulting directly or indirectly from any of the foregoing.

(b) As between the Corporation and the City, all obligations of the City under this Section shall be at the City's sole cost and expense, and all costs of operation of the Project and all costs of repair and replacement of the Project resulting from ordinary wear and tear or want of care on the part of the City shall be the sole responsibility of the City. The Corporation acknowledges that such costs and expenses shall be borne by the City.

SECTION 5.11. INVENTORY. The City shall maintain an inventory of any Equipment leased from the Corporation hereunder, which inventory may describe the Equipment by category or type or other general description.

SECTION 5.12. OTHER LIENS.

(a) The City shall keep the Land and the Project (or cause it to be kept) and all parts thereof free from judgments and, except for Permitted Encumbrances, free from all liens, claims, demands and encumbrances of whatsoever nature or character, to the end that the Project may at all times be maintained and preserved, and the City shall keep the Land and the Project (or cause it to be kept) free from any claim or liability which might impair or impede the operation of the Project or the security granted in the Trust Estate to Certificate Owners by the Trust Agreement; provided, however, that the City shall not be required to pay any such liens, claims or demand if the validity thereof shall concurrently be contested in good faith by appropriate proceedings, the interest of the Corporation and the Trustee shall not be in immediate jeopardy and if the City shall set aside or cause to be set aside reserves deemed by it to be adequate with respect thereto; and, provided, further, that the City, upon the commencement of any proceedings to foreclose the lien of any such charge or claim, will forthwith pay or cause to be paid any such charge or claim unless contested in good faith as aforesaid.

(b) The City shall never, under any circumstances, have the power to subject the interest of the Corporation or its assignee in the Project to any mechanic's or materialman's lien or liens of any kind.

(c) The City covenants and agrees with the Corporation that the City will not permit or suffer to be filed or claimed against the interests of the Corporation and its assignee in the Project during the Lease Term any lien or claim of any kind and, if such lien be claimed or filed, it shall be the duty of the City, within thirty (30) days after the City shall have been given written notice of such claim being filed in the Public Records of Broward County, Florida, to cause the Project to be released from such claim, either by payment or by posting of a bond or by the payment into a court of competent jurisdiction the amount necessary to relieve and release the Project from such claim or in any other manner which, as a matter of law, will result within such period of thirty (30) days in releasing the Project and Corporation's and its assignee's interest or interests therein from such claim.

SECTION 5.13. ENCUMBRANCES OR SALES. Except as permitted in this Lease Agreement and except for Permitted Encumbrances, the City will not create or suffer to be created any mortgage, pledge, lien, charge or encumbrance upon the Land or the Project or any portion thereof, or upon any real or personal property (which is not a portion of the Project) essential to the operation of the Project. The City will not sell or otherwise dispose of any portion of the Land or the Project (other than Equipment) or any such property essential to the proper operation of the Project, except as provided in Section 5.14 hereof.

SECTION 5.14. SUBSTITUTION OF EQUIPMENT. Subsequent to the Completion Date of the Project, the City may substitute for an item of Equipment to the extent financed by the Certificates which constitutes a part of the Project other equipment by filing with

the Trustee, as assignee of the Corporation, a certificate of an Authorized Officer of the City stating that such substitute equipment (a) has the same or a greater remaining useful life than the Equipment to be substituted (determined at the time of substitution), (b) has a fair market value equal to or greater than the fair market value of the item of Equipment for which it is substituted (determined at the time of substitution), (c) is free and clear of all liens and encumbrances, except the Permitted Encumbrances, (d) has been titled in the name of the City, (e) constitutes "Equipment" under this Lease Agreement, (f) is essential to the operation of the Project, and (g) performs the same or substantially the same (as determined by the City in its sole discretion) function as the Equipment to be substituted and has the same or better performance qualities and capabilities as measured by appropriate third party testing or as determined by the City in its sole discretion. The City may substitute Equipment financed by proceeds of Certificates which does not meet any of the foregoing provisions if it receives the prior written consent of the Insurer, if any, to make such substitution. The City shall furnish a copy of any such consent to the Trustee. No proceeds of the Series 2015 Certificates have been used to finance Equipment.

SECTION 5.15. PROSECUTION AND DEFENSE OF SUITS.

(a) The City shall promptly, upon request of the Corporation, or its assignee, from time to time, take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Project, or any portion thereof, and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall, to the extent permitted and limited by applicable general law and only from Available Revenues, indemnify or cause to be indemnified the Corporation, and its assigns, for all loss, cost, damage and expense, including reasonable attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceedings.

(b) To the extent permitted and limited by applicable law, and only from Available Revenues, the City shall defend against every suit, action or proceeding at any time brought against the Corporation, or its assignee, or its or their directors, officers and employees upon any claim arising out of the receipt, application or disbursement of any moneys held by the Trustee or arising out of the construction of the Project involving the rights of the Corporation, or its assignee, or its or their directors, officers and employees under this Lease Agreement or any act or omission of such directors, officers and employees done or omitted to be done within the scope of their respective office or employment, other than an act or omission which is the result of willful misconduct or gross negligence by such parties, provided, that the Corporation, and its assignee, at their election and their expense (which shall not be recoverable as Supplemental Rent), may appear in and defend any such suit, action or proceeding. To the extent permitted and limited by applicable general law and only from Available Revenues, the City shall indemnify or cause to be indemnified the Corporation, and its assignee, against any and all claims, demands, costs or liability claimed or asserted by any person, arising out of such receipt, application or disbursement.

SECTION 5.16. FURTHER ASSURANCES. Whenever and so often as requested so to do by the Corporation, the City will promptly execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to

further and more fully to vest in the Corporation all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon the Corporation by this Lease Agreement.

SECTION 5.17. REPORTING REQUIREMENTS. Upon request with respect to any Fiscal Year during the Lease Term, the City will furnish, or cause to be furnished, to the Corporation, or its assignee, and the Trustee the City's Comprehensive Annual Financial Report for said Fiscal Year, or such other similarly detailed reports of audit covering the operations of the City for said Fiscal Year as the City may select, showing the general funds, revenues and expenses with respect to the Project for such period.

SECTION 5.18. CORPORATION NOT LIABLE. Neither the Corporation nor its members, officers, agents, employees, nor its assignee, shall be liable to the City or to any other party whomsoever for any death, injury or damage that may result to any Person or property by or from any cause whatsoever in, on or about the Project. To the extent permitted and limited by applicable general law and solely from Available Revenues, the City shall indemnify or cause to be indemnified and hold the Corporation, its members, officers, agents, employees, and its assignee, harmless from, and defend or cause to be defended each of them against, any and all claims, liens and judgments for death of or injury to any Person or damage to property whatsoever occurring in, on or about the Project.

SECTION 5.19. INDEMNIFICATION DUE TO TRUSTEE AND CORPORATION. The City shall pay, or cause to be paid, to the Corporation and to the Trustee, as applicable, solely from Supplemental Rent and other amounts held under the Trust Agreement, the ordinary fees, compensation and expenses due under the Trust Agreement in the amounts set forth in the Lease Schedule. In addition, to the extent permitted and limited by applicable general law and solely from Available Revenues, the City shall and hereby agrees to indemnify, or cause indemnification of, and hold, or cause to be held, the Corporation and the Trustee, as assignee of the Corporation, harmless from and against all claims, losses and damages, including reasonable legal fees, costs and expenses, arising out of (a) the use, maintenance, condition or management of the Project by the City, (b) any breach or default on the part of the City in the performance of any of its obligations under this Lease Agreement, (c) any act of negligence of the City, or of any of its agents, contractors, servants, employees or licensees with respect to the Project, (d) the authorization of payment of Project Costs by the City, (e) the defense against actions or proceedings in which the validity of this Lease Agreement is or might be questioned and the payment or compromise of claims or demands asserted in any such actions or proceedings, or (f) the issuance of the Certificates and the acceptance and administration of the trusts in connection therewith. No indemnification will be made under this Section or elsewhere in this Lease Agreement for willful misconduct, negligence or breach of duty by the Corporation or the Trustee, its officers, agents, employees, successors or assigns. The foregoing indemnification provided to the Trustee shall survive the termination of this Lease Agreement, the payment in full of the Certificates or the sooner resignation or removal of the Trustee under the terms of the Trust Agreement and shall inure to the benefit of the Trustee's successors and assigns.

SECTION 5.20. NO RECOURSE UNDER AGREEMENT. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Lease Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the payment of Lease Payments pursuant to Section 4.03 hereof or for any claim based thereon under this Lease Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 5.21. RESTRICTION AGAINST PLEDGE. The Corporation shall not pledge, assign or encumber Lease Payments or other amounts derived from the Project or from rights of the Corporation under this Lease Agreement nor shall the Corporation sell, encumber or place any lien upon the Land or the Project, except as otherwise provided in the Ground Lease, this Lease Agreement, the Trust Agreement, and the Assignment of Leases.

SECTION 5.22. ASSIGNMENT BY CORPORATION. Except pursuant to the Assignment of Leases and except as set forth herein, the Corporation shall not assign this Lease Agreement, its rights to receive Lease Payments or its duties and obligations hereunder.

SECTION 5.23. NO VIOLATION OF OTHER AGREEMENTS.

(a) The City hereby represents that neither the execution and delivery of this Lease Agreement, and the Trust Agreement, nor the fulfillment of and compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of terms or violation of any other agreement to which the City is a party or by which the City is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the City, or upon the Project, except Permitted Encumbrances.

(b) The Corporation hereby represents that neither the execution and delivery of this Lease Agreement, the Ground Lease, the Assignment of Leases, or the Trust Agreement, nor the fulfillment of and compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of terms or violation of any other agreement to which the Corporation is a party or by which the Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Project, except Permitted Encumbrances.

SECTION 5.24. DEBT NOT ASSUMED BY CORPORATION. The parties hereto expressly acknowledge and agree that the Corporation, by the entering into the Ground Lease, this Lease Agreement, the Trust Agreement and the Assignment of Leases, does not assume or guarantee, or otherwise obligate itself for, or become liable for, the payment of, or contingently agree to purchase, any debt of any Person.

SECTION 5.25. CONSENT TO DISMISS. The City acknowledges that the Corporation is a third party lease purchase financing source for the Project and the City hereby

agrees to consent to, and to refrain from objection to, a motion made by the Corporation to be dismissed from any lawsuit brought by a third party arising out of or in any way relating to this Lease Agreement with respect to the Project or the ownership, rental, possession, operation, condition, sale or return of the Project. This covenant by the City to consent to and refrain from objection to such a motion to dismiss shall include the Corporation's assigns and their respective agents, employees, officers and directors. It is understood by and between the Corporation and the City that this covenant is not intended to be and is not an indemnity.

SECTION 5.26. WAIVER OF LAWS. The City shall not at any time insist upon or plead in any manner whatsoever, or claim or suffer or take the benefit or advantage of any stay or extension law now or at any time hereafter in force which may adversely affect the covenants and agreements contained in this Lease Agreement and the benefit and advantage of any such law or laws is hereby expressly waived by the City to the extent that the City may legally make such waiver.

SECTION 5.27. LIMITATION ON INDEMNIFICATION. The amount of indemnification provided by the City to the Corporation in Sections 5.15, 5.18 and 5.19 shall not exceed the liability limits set forth in Section 768.28, Florida Statutes, provided that such indemnification shall be further limited as being payable solely from Available Revenues appropriated therefor.

SECTION 5.28. VEHICLES. The City and the Corporation agree not to lease-purchase any vehicles or rolling stock under the terms of this Lease Agreement.

SECTION 5.29. WAIVER OF DAMAGES. Neither the Corporation nor the Trustee, nor their respective agents and employees, shall be liable for, and the City waives, for each of their benefit, all claims for, damages, including but not limited to consequential damages, to person, property or otherwise, sustained by the City or any person claiming through the City resulting from any accident or occurrence in or upon any part of the Project including, but not limited to, claims for damage resulting from: (a) any equipment or appurtenances becoming out of repair; (b) the City's failure to keep any part of the Project in good repair; (c) injury done or caused by wind, water or other natural element; (d) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, gas, water and steam pipes, stairs, porches, railings or walks; (e) broken glass; (f) the backing up of any sewer pipe or downspout; (g) the bursting, leaking or running of any tank, tub, washstand, water closet, waste pipe, drain or any other pipe or tank upon or about the Project; (h) the escape of steam or hot water; (i) water, snow or ice upon the Project; (j) the failing of any fixture, plaster or stucco; (k) damage to or loss by theft or otherwise of property of the City or others; (1) acts or omissions of persons in the Project, other tenants in the Project, occupants of nearby properties, or any other persons; and (m) any act or omission of owners of adjacent or contiguous property, or of the Corporation and the Trustee, and their respective agents or employees. All property of the City kept in the Project shall be so kept at the City's risk only, as between the City on the one hand and the Trustee and the Corporation on the other, and the City shall save the Corporation and the Trustee, and their respective agents and employees harmless from claims arising out of damage to the same, including subrogation claims by the City's insurance carrier.

SECTION 5.30. OFFSET STATEMENT. Within ten (10) days after written request by either the Corporation or the City the other party shall deliver, executed in recordable form, a declaration to any Person designated by the requesting party and to the extent that such statements shall be true, (a) ratifying this Lease Agreement and Lease Schedule; (b) stating the commencement and termination dates; and (c) certifying (i) that this Lease Agreement and the Lease Schedule are in full force and effect and have not been assigned, modified, supplemented or amended (except by such writings as shall be stated); (ii) that all conditions under this Lease Agreement and the Lease Schedule to be performed by the other parties have been satisfied (stating exceptions, if any), to the extent known; (iii) that no defenses or offsets against the enforcement of this Lease Agreement and the Lease Schedule by the requesting party exist (or stating those claimed); (iv) as to advance Lease Payments, if any, paid by the City; and (v) the date to which Supplemental Rent has been paid, and such other information as the requesting party reasonably requires. Persons receiving such statements shall be entitled to rely upon them.

SECTION 5.31. RESERVED.

SECTION 5.32. CONTINUING DISCLOSURE COVENANTS.

(a) To the extent required by Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the "Rule") in connection with the issuance of a series of Certificates, the City will execute a Continuing Disclosure Certificate in connection with such Certificates (each, a "Continuing Disclosure Certificate"). In the event of a failure by the City to comply with any provision of any Continuing Disclosure Certificate referred to herein, no Default shall be deemed to occur hereunder and no Event of Default shall be deemed to occur hereunder; however the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Certificates that are the subject of the applicable Continuing Disclosure Certificate may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with such obligations.

(b) The City reserves the right to terminate its obligation to provide information pursuant to any Continuing Disclosure Certificate when the City no longer remains an obligated person with respect to the Certificates that are the subject thereof in accordance with the applicable Continuing Disclosure Certificate or when no longer required to satisfy such obligation pursuant to the Rule.

ARTICLE VI
ASSIGNMENT; SUBLEASING; NET LEASE; AMENDMENT

SECTION 6.01. ASSIGNMENT AND SUBLEASING BY THE CITY.

(a) Except as provided herein, this Lease Agreement may not be assigned or the Land and the Project subleased by the City without the written consent of the Corporation and without an opinion of Special Counsel delivered to the Trustee that such assignment or sublease shall not cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates (other than Taxable Certificates) to become includable in gross income of the

Owners for purposes of federal income taxation (which Opinion of Special Counsel shall not be required when only Taxable Certificates are Outstanding).

(b) Nothing herein shall prohibit the City from permitting temporary use of the Project, or portion thereof, by third parties, provided that the Parking Garage Land and the Parking Garage are required to be used as a public parking garage for the benefit of the public at large and the Roadways (together with related utility and drainage lines, [signalization] and landscaping) and parking spaces must always be used as public roads and public parking spaces, as applicable.

(c) If an Event of Default occurs under this Lease Agreement, all proceeds of any sublease entered into by the City pursuant to this Section shall be remitted to the Trustee and shall be credited against Basic Rent Payments to be made by the City. Any sublease agreement must be made cancelable in the event of the occurrence of an Event of Default hereunder or if the Lease Agreement is terminated for any reason, including an Event of Non-Appropriation.

SECTION 6.02. TRANSFER OF TAX BENEFITS. Nothing herein shall be deemed to prevent the City from entering into any agreement or making any disposition for the sole purpose of transferring to one or more corporations, partnerships or individuals federal or state income tax benefits which would be available for the Project, or portion thereof, if owned by a private person, subject, however, to each of the following conditions:

(a) no such sublease shall in any way adversely affect or release the City from any of its duties, obligations and covenants under this Lease Agreement and the obligation of the City to make Lease Payments hereunder; and

(b) no such agreement or disposition shall, in the opinion of Special Counsel, cause the Interest Component of the Basic Rent Payments received by the Owners of the Certificates (other than Taxable Certificates) to become includable in gross income of such Owners for purposes of federal income taxation (which opinion of Special Counsel shall not be required when only Taxable Certificates are Outstanding).

SECTION 6.03. TAX COVENANTS.

(a) Subject to subsection (d) hereof, the City and the Corporation hereby covenant that, notwithstanding any other provision of this Lease Agreement to the contrary, neither of them will make any use nor permit or direct the Trustee to make any use of the proceeds of the Certificates which will cause any of the Certificates or the Lease Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) Subject to subsection (d) hereof, the City and the Corporation hereby agree that neither will make use of nor permit any use to be made of the proceeds of the Certificates, Lease Payments or, prior to an Event of Non-Appropriation, the Project, or portion thereof, which would cause any of the Certificates or the Lease Agreement to be "private activity bonds" within the meaning of Section 141(a) of the Code.

(c) Subject to subsection (d) hereof, except for the exercise by the City of its right to non-appropriate as set forth in Section 7.01 hereof, the City and the Corporation hereby covenant that, prior to an Event of Default or an Event of Non-Appropriation, each will comply with all provisions of the Code necessary to maintain the exclusion of the Interest Component of the Basic Rent Payments 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.

(d) Notwithstanding the foregoing provisions contained in this Section, the City and the Corporation may agree to entering into a Lease Schedule relating to all or a portion of the Project which may provide that the Interest Component on the Basic Rent Payments shall not be excluded from gross income for purposes of federal income taxation; provided, however, that fact shall be clearly stated on such Taxable Certificates. Provisions herein relating to the requirement to maintain the exclusion of such Interest Component from gross income for federal income taxation purposes shall not apply to such Basic Rent Payments.

(e) The Trustee's only responsibilities with respect to the foregoing covenants shall be to comply with the provisions of the Trust Agreement applicable to the Trustee.

SECTION 6.04. NET LEASE. The City intends the Lease Payments hereunder to be net to the Corporation. Subject to Section 5.09 hereof, the City shall pay, or cause to be paid, all liabilities, all required local, state and federal taxes, including without limitation, income, franchise, gross receipts, sales, use, documentary stamp, excise, and personal property taxes, Real Estate Taxes, assessments, licenses, registration fees, and any other charges imposed or liabilities incurred with respect to the ownership, possession or use of the Land and the Project, payment of Lease Payments or any other payments by the City hereunder, and any penalties, fines or interest imposed on the City hereunder, and any penalties, fines or interest imposed on any of the foregoing, during the term of this Lease Agreement but only from Available Revenues appropriated therefor. The Corporation and the Trustee shall have the right, after reasonable written notice to the City, to make any of the payments required of the City under this Section with respect to the Land and the Project, but shall not be obligated to pay the same, and may charge such payment with interest at the Overdue Rate from the date of payment, as Supplemental Rent to be paid by the City, but only from Available Revenues appropriated therefor. In the event Available Revenues are insufficient therefor, the City shall seek a supplemental appropriation as set forth in Section 5.09 hereof.

SECTION 6.05. AMENDMENT. Any amendment or modification of this Lease Agreement shall be made in accordance with Article XI of the Trust Agreement.

ARTICLE VII
SUBJECT TO ANNUAL APPROPRIATION; EVENT OF NON-APPROPRIATION; EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. SUBJECT TO ANNUAL APPROPRIATION; EVENT OF NON-APPROPRIATION.

(a) The City's performance and obligation to pay any amounts under this Lease Agreement are contingent upon an annual appropriation by the City. As provided herein, this Lease Agreement shall initially terminate at the end of the Initial Lease Term but shall automatically be renewed for all Renewal Lease Terms; provided, that such automatic renewal shall not occur and this Lease Agreement shall terminate as of the end of the current Initial or Renewal Lease Term, as the case may be, without penalty to the City, if the City enacts a Budget in accordance with the Act which does not provide sufficient funds from Available Revenues (after taking into account any amounts credited or available for credit pursuant to Section 4.03(e) hereof) to continue making Lease Payments in full for the next succeeding Renewal Lease Term beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments had been budgeted and appropriated (which shall be an "Event of Non-Appropriation" as more fully defined in the Trust Agreement); provided however, that, in the event the Budget for such ensuing Renewal Lease Term is not enacted prior to expiration of the then current Initial Lease Term or Renewal Lease Term, the Lease Term relating thereto shall be deemed renewed and the occurrence of the Event of Non-Appropriation shall be deemed suspended pending the enactment of such Budget and the City shall be liable for any Lease Payments coming due during such period from Available Revenues to the extent the prior Budget makes such Available Revenues available to the City for that purpose. For each day that the City remains in possession of said Project beyond the date of expiration of the current Initial Lease Term or Renewal Lease Term, the City shall pay damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any such period during which the City fails to vacate or surrender the Garage, provided that such payments shall be payable solely from Available Revenues. Upon the occurrence of an Event of Non-Appropriation, the City will not be obligated to pay Lease Payments accruing or arising beyond the then current Fiscal Year but will not be relieved of any obligations arising or accruing prior to such Event of Non-Appropriation, provided that such payment shall be payable solely from Available Revenues. The City must deliver notice of the Event of Non-Appropriation to the Corporation, the Insurer, if any, and the Trustee within three Business Days thereof.

(b) If an Event of Non-Appropriation shall occur, the City shall peaceably vacate and return possession of the Parking Garage Land and the Parking Garage to the Corporation, or its assignee or designee, no later than the end of the then current Lease Term. The balance of the Project (consisting of the Roadways, together with related utility lines and drainage improvements, [signalization] and landscaping and parking spaces on the Roadways) shall not be subject to surrender. The obligation to vacate and return the Parking Garage Land and the Parking Garage shall survive the termination of this Lease Agreement. Under no circumstances shall the failure of the City to appropriate sufficient moneys to pay Lease Payments constitute a Default or Event of Default hereunder or require payment of a penalty, or in any way limit the

right of the City to purchase or utilize, buildings, facilities or equipment similar in function to the property leased hereunder.

SECTION 7.02. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Lease Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Lease Agreement any one or more of the following events:

(a) Failure by the City to pay any Basic Rent Payment required to be paid hereunder on the Basic Rent Payment Date to which such Basic Rent Payment pertains, other than as a result of an Event of Non-Appropriation; or

(b) Failure by the City to pay any Supplemental Rent required to be paid hereunder at the time specified herein other than as a result of an Event of Non-Appropriation; or

(c) The City fails to vacate and return possession of the Parking Garage Land and the Parking Garage to the Corporation, or its designee or assignee, subsequent to an Event of Non-Appropriation as required by Section 7.01 hereof; or

(d) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Sections 7.02(a) and 7.02(b) hereof, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation, or its assignee, unless the Corporation, or its assignee, has agreed in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, or its assignee, will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(e) Any representation of the City hereunder or in a Lease Schedule shall prove to have been false in any materially adverse respect at the time same was made, subject to the right of the City to cure such misrepresentation in the manner set forth in Section 7.02(d) hereof.

SECTION 7.03. REMEDIES ON DEFAULT. Upon the happening of an Event of Default as described in Section 7.02 hereof, the Corporation, or its assignee, may exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement, including, without limitation:

(i) Except in the case of an Event of Default under Section 7.02(c) hereof, without terminating this Lease Agreement, to re-enter and take possession of the Parking Garage Land and the Parking Garage, or any portion thereof, and exclude the City from using the same until the Default is cured, subject to the terms and conditions of the Ground Lease and this Lease Agreement requiring the Parking Garage Land and the Parking Garage to be used as a public parking garage for the benefit of the public at large; or

(ii) Except in the case of an Event of Default under Section 7.02(c) hereof, without terminating this Lease Agreement, to re-enter and take possession of the Parking

Garage Land and the Parking Garage, or any portion thereof, and sublease the Parking Garage Land and the Parking Garage, or any portion thereof, in accordance with applicable law and the requirement that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large, for the remaining term of the Ground Lease, for the account of the City, holding the City liable for the difference between (i) the rent and other amounts paid by the sublessee pursuant to such sublease, and (ii) the Lease Payments and other amounts then payable by the City under and pursuant to this Lease Agreement; provided, however, that, unless only Taxable Certificates are Outstanding, prior to termination of this Lease Agreement, the Parking Garage Land and the Parking Garage, or any portion thereof, may be sold, relet or otherwise disposed of, subject to the terms and conditions of the Ground Lease and this Lease Agreement, only to such Person or Persons as shall not adversely affect the exclusion of the Interest Component of the Basic Rent Payments from gross income for federal income tax purposes (to the extent Certificates the Interest Component of which is intended to be so excluded are then Outstanding); or

(iii) Except in the case of an Event of Default under Section 7.02(c) hereof, to take whatever action at law or in equity that may appear necessary or desirable to collect the Lease Payments then due and thereafter to become due during the term of this Lease Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under this Lease Agreement; or

(iv) To terminate this Lease Agreement, if it has not been previously terminated pursuant to Section 7.01 hereof, and require the City to vacate, surrender and transfer possession of the Parking Garage Land and the Parking Garage to the Corporation or its assignee, in which event the City shall take all actions necessary to authorize, execute and deliver to the Corporation or its assignee all documents necessary to vest in the Corporation or its assignee all of the City's interest in and to the Parking Garage Land (other than its title thereto) and the Parking Garage, and to discharge any lien created by or pursuant to this Lease Agreement in order that the Corporation or its assignee may re-lease the Parking Garage Land and the Parking Garage in accordance with applicable law and the requirement that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large for the remaining term of the Ground Lease; and shall upon request by the Corporation or its assignee, transfer any Equipment financed by a Series of Certificates to such location within the State as is specified by the Corporation or its assignee.

In each case, the City shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued hereunder, calculated on a daily basis, for any period during which the City fails to vacate and surrender the Parking Garage Land and the Parking Garage for any other loss suffered by the Corporation or its assignee as a result of the City's failure to vacate and surrender the Parking Garage Land and the Parking Garage, all without prejudice to any remedy which might otherwise be available to the Corporation or its assignee for arrears of Lease Payments or for any breach of the City's covenants herein contained, payable only from Available Revenues appropriated therefor.

Any disposition of the Parking Garage Land and the Parking Garage shall additionally be subject to the provisions of Section 4.07 hereof.

SECTION 7.04. PROCEEDS OF RE-LETTING. Moneys received by the Corporation, or its assignee, from the re-letting or other disposition of the Parking Garage Land and the Parking Garage, or any portion thereof, in accordance with the Ground Lease and this Lease Agreement, as a result of an Event of Non-Appropriation or an Event of Default shall be the absolute property of the Corporation, or its assignee, and the City shall have no right thereto. In the event that moneys received by the Corporation or its assignee, from the re-letting or other disposition of the Parking Garage Land and the Parking Garage, in accordance with the Ground Lease and this Lease Agreement, exceed the amount necessary to pay the principal of and interest due on the Certificates to the date of payment thereof, together with all other amounts owing under the Trust Agreement and in regard to the Land and the Project, including Trustee fees and expenses, and outstanding fees, expenses and other amounts due the Corporation, or its assignee, shall pay such surplus to the City. Neither notice to pay rent or to deliver up possession of the Parking Garage and the Parking Garage given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation, or its assignee, shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of an Event of Default by the City shall be or become effective by operation of law, or otherwise, unless and until the Corporation, or its assignee, shall have given written notice to the City of the election on the part of the Corporation, or its assignee, to terminate this Lease Agreement as a result of such Event of Default.

SECTION 7.05. APPOINTMENT OF CORPORATION AS AGENT. The City hereby irrevocably appoints the Corporation, and its assignee, as the agent and attorney-in-fact of the City to enter upon and re-let or otherwise dispose of the Parking Garage Land and the Parking Garage in accordance with the terms hereof and the Ground Lease upon the happening of an Event of Default or an Event of Non-Appropriation. To the fullest extent permitted by applicable law and only from Available Revenues, the City hereby exempts and agrees to save harmless, the Corporation, and its assignee, from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and the letting of the Parking Garage Land and the Parking Garage. The City hereby waives any and all claims for damages caused, or which may be caused, by the Corporation, or its assignee, in taking possession of the Parking Garage Land and the Parking Garage, for all claims for damages that may result from the destruction of or injury to the Parking Garage Land and the Parking Garage, and all claims for damages to or loss of any property belonging to the City that may be in or upon the Parking Garage Land and the Parking Garage. The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation, or its assignee, to enter and re-let or otherwise dispose of the Parking Garage Land and the Parking Garage in accordance with the terms hereof and the Ground Lease.

SECTION 7.06. NON-WAIVER. Nothing in this Article VII or in any other provision of this Lease Agreement shall affect or impair the obligation of the City to pay the Lease Payments, to the extent herein provided. No delay or omission of the Corporation, or its assignee, to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default

or any acquiescence therein, and every power and remedy given by this Article VII to the Corporation, and its assignee, may be exercised from time to time and as often as shall be deemed expedient by the Corporation, or its assignee.

SECTION 7.07. REMEDIES NOT EXCLUSIVE. No remedy herein or by law conferred upon or reserved to the Corporation, and its assignee, is intended to be exclusive of any other remedy, but each such remedy is cumulative and in addition to every other remedy, and every remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise may be exercised without exhausting and without regard to any other remedy conferred or by any law.

SECTION 7.08. STATUS QUO ANTE. In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and then discontinued or abandoned, then, and in every such case, the Corporation, and its assignee, and the City shall be restored to its and their former position and rights and remedies as if no such suit, action or proceedings had been brought or taken.

ARTICLE VIII
ADMINISTRATIVE PROVISIONS

SECTION 8.01. PRESERVATION AND INSPECTION OF DOCUMENTS. All documents received by the Corporation, or its assignee, or the City under the provisions of this Lease Agreement shall be retained in their respective possessions and shall be subject at all reasonable times to the inspection of the other party hereto and its assigns, agents and representatives, any of whom may make copies thereof.

SECTION 8.02. PARTIES IN INTEREST. Nothing in this Lease Agreement, expressed or implied, is to or shall be construed to confer upon or to give to any person or party other than the Corporation, and its assignee, the Trustee, and the City any rights, remedies or claims under or by reason of this Lease Agreement or any covenants, condition or stipulation hereof; and all covenants, stipulations, promises and agreements in this Lease Agreement contained by or on behalf of the Corporation or the City shall be for the sole and exclusive benefit of the Corporation, and its assignee, the City, and the Trustee.

SECTION 8.03. NO RECOURSE UNDER AGREEMENT. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Lease Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, employee or agent of the parties hereto in an individual capacity, and no recourse shall be had for the payment of the Lease Payments or for any claim based thereon under this Lease Agreement against any member, officer, employee or agent of the parties hereto.

SECTION 8.04. NOTICES. All written notices, certificates, reports or statements to be given under this Trust Agreement shall be given by mail or personal delivery to the party entitled thereto, with a copy to each of the other parties to this Trust Agreement, at its address set

forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery, to the address set forth below.

If to the Corporation:	Pompano Beach Finance Corporation 100 West Atlantic Boulevard Pompano Beach, Florida 33060 Attention: President
If to the City:	City of Pompano Beach, Florida 100 West Atlantic Boulevard Pompano Beach, Florida 33060 Attention: City Manager
If to the Trustee:	The Bank of New York Mellon Trust Company, N.A. 10161 Centurion Parkway Jacksonville, Florida 32256 Attention: Corporate Trust Department
[If to the Series 2015 Insurer:	_____ _____ Attention: Surveillance]

The parties hereto, by notice given hereunder, may, respectively, designate different addresses to which subsequent notices, certificates or other communications will be sent. A copy of all notices to one party to this Lease Agreement shall be transmitted to the other party to this Lease Agreement, and to the Trustee.

SECTION 8.05. BINDING EFFECT. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

SECTION 8.06. SEVERABILITY. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Lease Agreement on the part of the Corporation or the City to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Lease Agreement.

SECTION 8.07. HEADINGS. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Lease Agreement, nor shall they affect its meaning, construction or effect.

SECTION 8.08. APPLICABLE LAW. This Lease Agreement shall be governed by and construed in accordance with the laws of the State without regard to conflict of law principles.

SECTION 8.09. AUTHORIZED REPRESENTATIVES. Whenever under the provisions of this Lease Agreement the approval of the Corporation or the City is required or the Corporation or the City is required to take some action at the request of the other, such approval of such request may be given for the Corporation by an Authorized Officer of the Corporation and for the City by an Authorized Officer of the City and any party hereto shall be authorized to rely upon any such approval or request.

SECTION 8.10. FURTHER ASSURANCES. The Corporation and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Land and the Project hereby leased or for carrying out the expressed intention of this Lease Agreement.

SECTION 8.11. CERTIFICATE OF OFFICERS. Every certificate with respect to compliance with a condition or covenant provided for in this Lease Agreement may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless the Person providing the certificate knows that the certificate or representations with respect to the matters upon which the certificate may be based are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

SECTION 8.12. BUSINESS DAYS. Any act or thing required to be done or exist on any date set forth herein which does not constitute a Business Day in any year shall be deemed to be done or to exist on such date if such act or thing is done or exists on the next date which constitutes a Business Day.

SECTION 8.13. EFFECT OF DISSOLUTION OF CORPORATION. In the event the Corporation for any reason shall be dissolved or its legal existence shall otherwise be terminated, all of the covenants, stipulations, obligations and agreements contained in this Lease Agreement by or on behalf of or for the benefit of the Corporation shall bind or inure to the benefit of the successor or successors of the Corporation from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with Law, and the term "Corporation" as used in this Lease Agreement shall include such successor or successors.

SECTION 8.14. MEMORANDUM. Simultaneously with the execution of this Lease Agreement, the Corporation and the City may each execute, acknowledge and deliver a Memorandum of Lease Agreement with respect to this Lease Agreement for recording in the Public Records of Broward County, Florida. Said Memorandum of Lease shall not in any circumstances be deemed to change or otherwise to affect any of the obligations or provisions of this Lease Agreement.

SECTION 8.15. RADON GAS. Section 404.056, Florida Statutes, requires that the following notification be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

SECTION 8.16. COUNTERPARTS. This Lease Agreement may be executed in several counterparts, each of which together with a counterpart executed by each of the other parties hereto shall constitute a single original and shall constitute but one and the same agreement.

[**SECTION 8.17. SERIES 2015 INSURER PROVISIONS.** The City has obtained and delivered to the Trustee the Series 2015 Municipal Bond Insurance Policy issued by the Series 2015 Insurer in favor of the Trustee for the benefit of the holders of the Series 2015 Certificates. Notwithstanding any other provision contained in the Trust Agreement or the Related Certificate Documents to the contrary, so long as the Series 2015 Municipal Bond Insurance Policy is in effect and the Series 2015 Insurer shall not be in default in its obligations thereunder, then the Series 2015 Insurer shall be entitled to any rights specifically granted to it herein to consent to, approve or participate in any actions proposed to be taken by the City, the Corporation, the Trustee or any of them pursuant to this Lease Agreement.]

[This Space Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed in their respective names by their duly Authorized Officers as of the date first above written.

POMPANO BEACH FINANCE CORPORATION, as Lessor

[SEAL]

By: _____

ATTEST:

Name: _____

Title: _____

_____

Secretary

CITY OF POMPANO BEACH, FLORIDA, as Lessee

[SEAL]

By: _____

ATTEST:

Name: _____

Title: _____

_____

City Clerk

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this ___ day of May, 2015, by _____, as [Vice] President of **POMPANO BEACH FINANCE CORPORATION**, who is personally known to me or has produced _____, as identification.

(Notary Seal)

_____
Name:_____
Notary Public of the State of Florida

My commission expires: _____

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this ___ day of May, 2015, by _____, as [Vice] Mayor of the **CITY OF POMPANO BEACH, FLORIDA**, who is personally known to me or has produced _____, as identification.

(Notary Seal)

_____
Name:_____
Notary Public of the State of Florida

My commission expires: _____

EXHIBIT A

LEASE SCHEDULE

Schedule to the
Lease-Purchase Agreement,
dated as of May 1, 2015,
between
Pompano Beach Finance Corporation, as lessor (the "Corporation")
and
City of Pompano Beach, Florida, as lessee (the "City")

THIS LEASE SCHEDULE (the "Lease Schedule") is hereby entered into under and pursuant to that certain Lease-Purchase Agreement, dated as of May 1, 2015 (the "Lease Agreement"), pursuant to which the Corporation has agreed to lease-purchase to the City and the City has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Lease Agreement, the Land and the Project as herein described. All defined terms not otherwise defined herein shall have the respective meanings therefor set forth in the Lease Agreement. Reference to "Lease Agreement" herein shall include the terms of this Lease Schedule.

1. Project. The Facilities described in Section 7 of this Lease Schedule (the "Project") shall be acquired, constructed and installed by the City, as agent for the Corporation, on the Land and lease-purchased by the City from the Corporation pursuant to the terms of the Lease Agreement.

2. Commencement Date: Lease Term: Other Definitions. For purposes of this Lease Schedule and the Lease Agreement:

(a) The Commencement Date is May ____, 2015.

(b) The Initial Lease Termination Date shall be September 30, 2015. The Maximum Lease Term shall be a term that commences on the Commencement Date hereof and terminates on January 1, 20____.

3. Certificates of Participation.

(a) The Certificates of Participation issued under the Trust Agreement and related to this Lease Schedule are identified as the "Certificates of Participation (Parking Garage Project), Series 2015 Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Rent Payments to be Made by the City of Pompano Beach, Florida, As Lessee, Pursuant to the Lease Purchase Agreement with Pompano Beach Finance Corporation, as Lessor" (the "Series 2015 Certificates").

(b) [The Reserve Requirement for the Reserve Account under the Trust Agreement for the Series 2015 Certificates shall initially be $ _____.] [There shall be no Reserve Requirement for the Series 2015 Certificates and the Series 2015 Certificates shall not be secured by the Reserve Account].

4. Basic Rent. The Basic Rent payable to the Corporation under the Lease Agreement is described in Schedule A attached hereto. On the fifteenth day preceding each Payment Date the City shall make Basic Rent payments in the amount indicated on the attached Payment Schedule for such Payment Date.

5. Supplemental Rent. The Supplemental Rent payable pursuant to Section 6.10 of the Trust Agreement shall, at a minimum, consist of the following, payable on each Principal Payment Date commencing January 1, 2016:

Annual Trustee Fee	$1,250.00
Annual Corporation Fee	$1,000.00*

*May be paid directly to the Corporation

6. Use of Certificate Proceeds. The net proceeds of the Series 2015 Certificates shall be disbursed as follows:

Deposit to Project Account	$
Reimbursement of Project costs	
Deposit to Costs of Issuance Account	
Deposit to Capitalized Interest Account	
[Premium for initial Reserve Account Surety Bond]	
[Premium for Series 2015 Municipal Bond Insurance Policy]	_____
Total	$_____

7. The Project. The Project consists of (i) the "Parking Garage," which is an approximately 281,804 square foot, 5-story public parking garage with approximately 609 to 615 parking spaces (the "Parking Garage"), (ii) new public roadways around the Parking Garage, connecting NE 2nd Street to NE 3rd Street in a north-south direction, and a new public roadway along the south side of the Parking Garage that will connect Pompano Beach Boulevard to State Road AIA **[add any other roadways]**, including landscaping **[and signalization]** (the "Roadways"); (iii) water utility lines in the Roadways to provide fire connections; (iv) sewer utility lines in the Roadways; (v) master storm drainage; and (v) approximately 54 parking spaces on the Roadways that will be operated as part of the City's parking system. The portion of the Project consisting of the Roadways, together with related utility lines and drainage improvements, **[signalization]** and landscaping and parking spaces on the Roadways, shall not be subject to surrender upon an Event of Non-Appropriation of an Event of Default.

8. The Land. A description of the Parking Garage Land is attached hereto as Schedule B-1 and a description of the balance of the Land, excluding the Parking Garage Land, is attached hereto as Schedule B-2. Such descriptions are subject to modification as provided in Section 2 of the Ground Lease.

9. Assignment of Leases. The Corporation hereby acknowledges that all Lease Payments and its rights, title and interest in this Lease Schedule and, with certain exceptions, the Lease Agreement have been simultaneously assigned to the Trustee pursuant to the Assignment of Leases.

10. Other Permitted Encumbrances. The encumbrances listed on Schedule C-1 attached hereto shall constitute Permitted Encumbrances with respect to the Parking Garage Land affected thereby as indicated. The encumbrances listed on Schedule C-2 attached hereto shall constitute Permitted Encumbrances with respect to the parcels of the Land, excluding the Parking Garage Land, affected thereby as indicated.

11. Prepayment Provisions.

(a) The Series 2015 Certificates are subject to Extraordinary Prepayment, in whole, on any date, or in part, on any Extraordinary Prepayment Date (if in part, in any order of maturity as directed by the City or, in the absence of such direction, in inverse order of maturity and by lot within maturities), without Prepayment Premium, at a Prepayment Price equal to 100% of the principal amount to be prepaid, together with accrued interest to the Extraordinary Prepayment Date, from the Net Proceeds of insurance or condemnation or other amounts deposited with the Trustee pursuant to Section 5.08 of the Lease Agreement. The Extraordinary Prepayment Date with respect to any partial Extraordinary Prepayment shall be the next succeeding Interest Payment Date following the receipt by the Trustee of the moneys to be used for such prepayment; provided, however, if such Interest Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Extraordinary Prepayment Date shall be the second succeeding Interest Payment Date.

(b) The Series 2015 Certificates maturing on or before January 1, 20___ shall not be subject to prepayment at the option of the City. Any of the Series 2015 Certificates maturing after January 1, 20___ may be prepaid, from optional prepayments of Basic Rent Payments made by the City pursuant to the Lease Agreement, in whole or in part, on January 1, 20___or any date thereafter, and in such order of maturities as may be designated by the City, or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, without Prepayment Premium, at a Prepayment Price equal to 100% of the principal amount to be prepaid, together with accrued interest to the prepayment date.

(c) The Series 2015 Term Certificates maturing on January 1, 20___ shall be subject to mandatory prepayment, without Prepayment Premium, commencing on January 1, 20__ from Amortization Installments in the amounts and in the years set forth

below (the Trustee shall select such Series 2015 Certificates by lot in such manner as it deems appropriate):

Payment Date (January 1)	Amortization Installment
	$
*	

*Final Maturity

IN WITNESS WHEREOF, each of the parties hereto has caused this Lease Schedule to be executed by its proper corporate officers, all as of May 1, 2015.

POMPANO BEACH FINANCE CORPORATION, as Lessor

[SEAL]

By: _____
Name: _____
Title: _____

ATTEST:

_____
Secretary

CITY OF POMPANO BEACH, FLORIDA, as Lessee

[SEAL]

By: _____
Name: _____
Title: _____

ATTEST:

_____
City Clerk

SCHEDULE A

PAYMENT SCHEDULE

Date	Principal	Interest	Total P+I
Total			

FTL:2171328:7

SCHEDULE B-1

DESCRIPTION OF THE PARKING GARAGE LAND

SCHEDULE B-2

DESCRIPTION OF THE LAND, EXCLUDING THE PARKING GARAGE LAND

SCHEDULE C-1

PERMITTED ENCUMBRANCES WITH RESPECT TO THE PARKING GARAGE LAND

SCHEDULE C-2

PERMITTED ENCUMBRANCES WITH RESPECT TO THE LAND, EXCLUDING THE PARKING GARAGE LAND

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

[Date]

To: The Bank of New York Mellon Trust Company, N.A., as Trustee

I, the undersigned Authorized Officer of the City, do hereby certify as follows pursuant to the terms of the certain Lease-Purchase Agreement, dated as of May 1, 2015 (the "Lease Agreement"), pursuant to which the Corporation has agreed to lease-purchase to the City and the City has agreed to lease-purchase from the Corporation, subject to the terms and conditions of the Lease Agreement, the Project. All defined terms not otherwise defined herein shall have the respective meanings therefor set forth in the Lease Agreement. Reference to "Lease Agreement" herein shall include the terms of the Lease Schedule thereto.

1. The City has completed the Project described in Lease Agreement.

2. The Project meets the City's specifications therefor, and has been constructed to the City's satisfaction. This certificate constitutes the Certificate of Acceptance for such Project required by Section 3.08 of the Lease Agreement and Section 6.03 of the Trust Agreement.

3. The actual cost of the portion of the Project paid from proceeds of the Certificates is as follows: $_____.

4. The Completion Date for such Project is _____, 20__.

5. The Trustee is hereby directed to apply $_____, representing the balance of monies in the Project Account not required to be retained in such Project Account to pay any remaining Costs of the Project, as follows:

(a) $_____ shall be applied to reimburse the City for Costs of the Project previously funded by the City from sources other than Certificate proceeds. [The following to be added if tax-exempt Certificates are Outstanding: Attached hereto is an Opinion of Special Counsel concluding that such application will not cause the exemption from federal income tax of the interest portion of the Basic Rent Payments represented by the Certificates to be adversely affected by such application]; and

(b) $_____ shall be transferred to the Lease Payment Fund and applied as a credit to Basic Rent Payments due under the Lease Schedule in accordance with Section 6.06(a) of the Trust Agreement.

CITY OF POMPANO BEACH, FLORIDA

By: _____
Name: _____
Title: _____

[cc: Series 2015 Insurer]

EXHIBIT D

FORM OF ASSIGNMENT AGREEMENT

Draft 3/13/15

ASSIGNMENT OF LEASES

by and between

POMPANO BEACH FINANCE CORPORATION

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of May 1, 2015

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ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES (this "Assignment Agreement"), is made and entered into as of May 1, 2015, by and between POMPANO BEACH FINANCE CORPORATION, a not-for-profit corporation duly organized and validly existing under the laws of the State of Florida (the "Corporation") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association with corporate trust powers duly qualified to enter into this Assignment of Lease Agreement, not in its individual capacity but solely as trustee (the "Trustee"). Capitalized terms used and not otherwise defined herein shall have the meaning set forth therefor in the Trust Agreement (hereinafter defined).

W I T N E S S E T H:

In the joint and initial exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto recite and agree as follows:

SECTION 1. RECITALS.

(a) The City of Pompano Beach, Florida (the "City") and the Corporation have entered into the Ground Lease dated as of May 1, 2015 (the "Ground Lease") whereby the City has agreed to lease to the Corporation the Land (as defined and described in the Ground Lease).

(b) The Corporation and the City have entered into the Lease-Purchase Agreement, dated as of May 1, 2015 (which, together with all amendments and the Lease Schedule thereto, shall be referred to herein as the "Lease Agreement"), whereby the Corporation has agreed to lease to the City, and the City has agreed to lease from the Corporation, the Land and the Project as described in the Lease Agreement.

(c) In order to finance the acquisition, construction and installation of the Project, the Series 2015 Certificates shall be issued pursuant to the Trust Agreement dated as of May 1, 2015, among the Corporation, the City and the Trustee (the "Trust Agreement") and proceeds thereof deposited with the Trustee to be held and applied in accordance with the Trust Agreement.

(d) Pursuant to the Lease Agreement, the City is obligated to make certain Lease Payments to the Corporation or its assignee. In order to secure the Series 2015 Certificates, the Corporation is willing to absolutely and irrevocably assign and transfer its rights and interests under the Ground Lease and Lease Agreement to the Trustee for the benefit of the Owners of the Series 2015 Certificates.

(e) Each of the parties hereto has authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to enter into it.

SECTION 2. ASSIGNMENT. The Corporation, for good and valuable consideration received, does hereby absolutely and irrevocably sell, assign and transfer to the Trustee, for the benefit of the Owners of the Series 2015 Certificates, all of its right, title and interest in the Ground Lease and Lease Agreement (other than the right to receive indemnification pursuant to the Lease Agreement, the right to enter into amendments to the Lease Schedule with respect to the issuance of Completion Certificates and Refunding Certificates from time to time and its obligations under Section 6.03 of the Lease Agreement), including its right to receive Lease Payments from the City under the Lease Agreement and its right to use and relet the Parking Garage Land and the Parking Garage and dispose of any proceeds of such reletting (as contemplated by the Lease Agreement), and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement. All rights of the Corporation in the Lease Schedule shall be assigned to the Trustee. The Lease Payments shall be applied, and the rights so assigned shall be exercised, by the Trustee as provided in the Trust Agreement. Except for any amendments of the Ground Lease, Lease Agreement or the Lease Schedule with respect to the issuance of Completion Certificates or Refunding Certificates which are hereafter adopted and assigned by the Corporation to the Trustee pursuant to an amendment to this Assignment Agreement, the sale, assignment and conveyance of the rights, title and interest of the Corporation under and to the Ground Lease and the Lease Agreement are immediately complete and effective for all purposes. The Trustee acknowledges receipt of executed copies of the Ground Lease and Lease Agreement.

SECTION 3. ACCEPTANCE. The Trustee hereby accepts such assignment in trust for the purpose of securing payment of the Series 2015 Certificates and securing the rights of the Owners of the Series 2015 Certificates issued pursuant to the Trust Agreement.

SECTION 4. CONDITIONS. This Assignment Agreement shall confer no rights and impose no duties upon the Trustee beyond those expressly provided in the Trust Agreement.

SECTION 5. REPRESENTATIONS AND AGREEMENTS.

(a) With respect to the sale, assignment and conveyance of the rights, title and interest of the Corporation under the Ground Lease and the Lease Agreement, the Corporation represents, warrants and covenants to and with the Trustee, for the benefit of the Owners of the Series 2015 Certificates, that:

(i) The Corporation is a not-for-profit corporation duly organized, validly existing and in active status under the laws of the State, with corporate powers and authority to own its property and carry on its business as now being conducted.

(ii) The Corporation is duly qualified to transact business and hold property and is in good standing in the State and wherever necessary to perform its obligations under the Ground Lease, the Lease Agreement, the Trust Agreement, and this Assignment Agreement.

(iii) The Corporation has full power, authority and legal right to enter into and perform its obligations under the Ground Lease, the Lease Agreement, the Trust

Agreement, and this Assignment Agreement; and the execution, delivery and performance of the Ground Lease, the Lease Agreement, the Trust Agreement, and this Assignment Agreement by the Corporation have been duly authorized by all necessary corporate actions on the part of the Corporation, do not require any approval or consent of any trustee or holder of any indebtedness or obligations of the Corporation or any other Person or such required approvals and consents have heretofore been duly obtained.

(iv) The execution, delivery and performance of the Ground Lease, the Lease Agreement, the Trust Agreement, and this Assignment Agreement do not contravene any provision of any Articles of Incorporation or Bylaws of the Corporation, and do not and will not conflict with, violate or result in any breach of or constitute a default under any contract, agreement or instrument to which the Corporation is a party or by which it or any of its property is bound or any constitutional or statutory provision, or order, rule, regulation, decree or ordinance of any federal or state court, government or governmental body having jurisdiction over the Corporation or any of its properties and by which the Corporation or any of its property is bound.

(v) To the Corporation's knowledge, the Ground Lease, the Lease Agreement and the Trust Agreement, are in full force and effect and the Corporation is not in default thereunder; and, the Ground Lease, the Lease Agreement, the Trust Agreement, and this Assignment Agreement are legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, all such enforcement being subject to certain laws relating to bankruptcy, reorganizations, moratoriums and creditors' rights generally and to the exercise of judicial discretion in accordance with general principles of equity.

(vi) The Corporation has complied, and will at all times hereafter comply, with and duly perform its obligations under the Ground Lease, the Lease Agreement, the Trust Agreement, and this Assignment Agreement.

(vii) There is no pending, or to the knowledge of the Corporation, threatened action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency in any way affecting the ability of the Corporation to perform its obligations under the Ground Lease, the Lease Agreement, the Trust Agreement, or this Assignment Agreement.

(viii) The Ground Lease and the Lease Agreement and the lease rights thereunder being herein assigned have not previously been assigned and are free and clear of all claims, liens, mortgages, security interests and encumbrances arising through any act or omissions of the Corporation or any Person claiming by, through or under it, except the rights of the City under the Lease Agreement and encumbrances permitted thereunder, including the Permitted Encumbrances.

(b) From and after the date of delivery to the Trustee of this Assignment Agreement, the Corporation shall have no further rights or interest under the Ground Lease or the Lease Agreement or in any Lease Payments (except any rights of indemnification of the Corporation

under the Ground Lease or the Lease Agreement, the Corporation's right to enter into amendments to the Lease Schedule from time to time and the Corporation's obligations under Section 6.03 of the Lease and the Corporation's annual fee payable as Supplemental Rent under the Lease), the Project or other moneys due with respect thereto or to become due under the Lease Agreement but shall remain liable for all of the obligations under the Lease Agreement.

(c) The Corporation agrees to execute and deliver to the Trustee, upon request by the Trustee or the Owners of a majority in principal amount of the Series 2015 Certificates, any documents deemed necessary by the Trustee or such Owners to evidence further the assignment and conveyance herein made with respect to the Ground Lease or the Lease Agreement including, without limitation, any amendments hereto necessary or desirable to assign to the Trustee any amendments to the Lease Schedule executed and delivered after the date hereof.

(d) The Corporation hereby irrevocably constitutes and appoints the Trustee, or its successors or assigns, as its lawful attorney, with full power of substitution and re-substitution, to collect and to sue on behalf of the Corporation in the name of the Corporation or otherwise in any court for any Lease Payments or other amounts due under the Lease Agreement, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Ground Lease or the Lease Agreement or pertaining to the Project upon any terms, all without the assent of the Corporation; and, further, to take possession of and to endorse in the name of the Corporation any instrument for the payment of moneys received on account of the Lease Payments or other amounts due under the Lease Agreement.

(e) The Corporation has authorized and directed the City to pay to the Trustee, its successors and assigns, all Lease Payments and all other amounts due and payable under the Lease Agreement, other than the Corporation's annual fee payable as Supplemental Rent, which may be paid directly by the City to the Corporation.

(f) In order to secure payment of the Certificates, the Corporation hereby authorizes the Trustee to take possession of the Parking Garage (including the Parking Garage Land in accordance with the provisions of the Trust Agreement, the Ground Lease and the Lease Agreement, and to relet such Project, or any portion thereof, in the circumstances described in the Trust Agreement and the Ground Lease, subject to the requirement that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large throughout the Ground Lease Term.

SECTION 6. NON-RECOURSE. The parties hereto agree that the assignment contained in this Assignment Agreement shall be non-recourse with respect to the Corporation, and the Corporation shall have no liability hereunder to the Trustee or the Owners of any Certificates with respect to the occurrence of an Event of Default or Event of Non-Appropriation under the Lease Agreement.

SECTION 7. NO INDIVIDUAL LIABILITY. All covenants, stipulations, promises, agreements and obligations of the parties hereto contained in this Assignment Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the parties hereto, respectively, and not of any member, officer, director, employee

or agent of the parties hereto in an individual capacity, and no recourse shall be had for the assignment effected by Section 2 hereof or for any claim based thereon under this Assignment Agreement against any member, officer, director, employee or agent of the parties hereto.

SECTION 8. AMENDMENTS TO LEASE SCHEDULE. The Corporation hereby agrees to deliver to the Trustee upon the execution and delivery of any amendment to the Lease Schedule after the date hereof, an amendment to this Assignment Agreement which provides for the assignment of the rights of the Corporation in and to said amended Lease Schedule in accordance with the terms hereof and confirms the representations and agreements of the Corporation set forth in Section 5 hereto as of the date thereof.

SECTION 9. SEVERABILITY. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Assignment Agreement should be determined by a court of competent jurisdiction to be contrary to law, then such covenant, stipulation, promise, agreement or obligation shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Assignment Agreement.

SECTION 10. HEADINGS. Any headings preceding the text of the several Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Assignment Agreement, nor shall they affect its meaning, construction or effect.

SECTION 11. COUNTERPARTS. This Assignment Agreement may be executed in counterparts, and each of said counterparts shall be deemed an original for all purposes of this Assignment Agreement. All of such counterparts taken together shall be deemed to be one and the same instrument.

SECTION 12. LAW. This Assignment Agreement shall be construed under the laws of the State without regard to conflict of law principles.

SECTION 13. AMENDMENTS. Any amendment or modification of this Assignment Agreement shall be made in accordance with Article XI of the Trust Agreement.

SECTION 14. NO WAIVER, RIGHTS CUMULATIVE. Any delay on the part of the Trustee in exercising any power, privilege or right hereunder or under any other instrument executed by the Corporation to the Trustee in connection herewith shall not operate as a waiver thereof and no single or partial exercise of any power, privilege or right shall preclude other or further exercise hereof or the exercise of any other power, privilege or right. If any part of the Assignment Agreement shall be contrary to any law which the Trustee might seek to apply to enforce or should otherwise be defective, the other provisions hereof shall not be affected thereby but shall continue in full force and effect, to which end they are hereby declared to be severable. All rights, remedies and powers of the Trustee hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder, or in or by any other law now existing or hereafter enacted.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

POMPANO BEACH FINANCE CORPORATION

[SEAL]

By: _____
Name: _____
Title: _____

ATTEST:

_____
Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Name: _____
Title: _____

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this ___ day of May, 2015, by _____, as [Vice] President of Pompano Beach Finance Corporation, who is personally known to me or has produced _____, as identification.

(Notary Seal)

_____
Name:_____
Notary Public of the State of Florida

My commission expires: _____

STATE OF GEORGIA

COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of May, 2015, by _____, as a Vice President of The Bank of New York Mellon Trust Company, N.A., who is personally known to me or has produced _____, as identification.

(Notary Seal)

_____
Name:_____
Notary Public of the State of Georgia

My commission expires: _____

EXHIBIT E

FORM OF CERTIFICATE PURCHASE AGREEMENT

CERTIFICATE PURCHASE AGREEMENT

$_____
TAXABLE CERTIFICATES OF PARTICIPATION
(Parking Garage Project), Series 2015
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, as Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

_____ __, 2015

City of Pompano Beach
100 W. Atlantic Blvd.
Pompano Beach, FL 33060

Pompano Beach Finance Corporation
100 W. Atlantic Blvd.
Pompano Beach, FL 33060

Ladies and Gentlemen:

On the basis of the representations, warranties, covenants and conditions contained in this Certificate Purchase Agreement (this "Agreement"), the undersigned, RBC Capital Markets, LLC (the "Underwriter" or "RBC Capital Markets"), and not acting as fiduciary or agent for you, offers to the addressees hereof, to purchase the Taxable Certificates of Participation (Parking Garage Project), Series 2015, in the aggregate principal amount of $_____ (the "Certificates"), evidencing undivided proportionate interests in Basic Rent Payments to be made by the City of Pompano Beach, Florida (the "City") pursuant to a Lease-Purchase Agreement dated as of May 1, 2015 (the "Lease-Purchase Agreement"), as supplemented by a lease schedule thereto (the "Lease Schedule" and together with the Lease-Purchase Agreement, the "Lease Agreement"). The Lease Agreement is entered into by and between the City, as lessee, and Pompano Beach Finance Corporation, a not-for-profit Florida corporation created by the City (the "Corporation"), as lessor. The Certificates are being issued under the Trust Agreement dated as of May 1, 2015 (the "Trust Agreement"), among the City, the Corporation, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). Pursuant to an Assignment of Leases dated as of May 1, 2015 between the Corporation and the Trustee, the Corporation has irrevocably assigned certain of its rights under the Lease Agreement, including the right to receive Basic Rent Payments paid by the City, to the Trustee. This offer is made subject to the City's and the Corporation's written acceptance hereof and the Underwriter's execution hereof on or before 5:00 p.m., Eastern Time, on _____ __, 2015, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City and the Corporation at any time prior to the written acceptance hereof by the City and the Trustee.

The Underwriter's disclosure and truth-in-bonding statement as required by Section 218.385, Florida Statutes, is attached hereto as Appendix A.

Proceeds of the Certificates will be used to provide funds to (i) finance, all or in part, the acquisition, construction and installation of a new public parking garage structure to be located on land owned by the City adjacent to its public beach and public pier area, together with related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, [signalization] and on-street parking spaces (the "Project"); (ii) pay capitalized interest on the Certificates through on or about July 1, 2016; [(iii) fund the Reserve Account in an amount equal to the Reserve Requirement for the Certificates [through the deposit of a Reserve Account Surety Bond issued by __ (the "Insurer")]; and (iv) pay Costs of Issuance of the Certificates[, including the premium for the Reserve Account Surety Bond and a Municipal Bond Insurance Policy issued by the Insurer].

The Certificates will be issued under and secured as provided in the Trust Agreement, and will be subject to redemption and will contain other terms as set forth in the Trust Agreement and the Offering Statement.

All capitalized terms used but not defined herein shall have the meanings defined in the Lease and the Trust Agreement, unless the context clearly indicates otherwise.

1. *Purchase and Sale of the Certificates.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase and the City and the Corporation hereby agree to cause the Trustee to execute and deliver to the Underwriter, all, but not less than all, of the Certificates. Inasmuch as this purchase and sale represents a negotiated transaction, the City acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the City and the Underwriter in which the Underwriter is acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own accounts, (iv) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Underwriter has been duly authorized to execute this Agreement and to act hereunder. The Underwriter has been duly authorized to execute this Agreement and to act hereunder. The principal amounts [and Mandatory Installments] of the Certificates to be issued, the dated date therefor, the maturities, redemption provisions and interest rates per annum are set forth in Appendix B hereto. The Certificates shall be as described in, and shall be issued and secured under and pursuant to the Trust Agreement, under the conditions set forth herein and the proceeds from the sale of the Certificates to the Underwriter shall be deposited as provided in the Trust Agreement.

The purchase price for the Certificates shall be $_____, which amount includes the par amount of the Certificates of $_____, [plus [less] a net original issuance [premium] [discount] of $_____], and less an underwriting discount of $_____. [The Underwriter shall withhold an amount equal to $_____ from the purchase price of the Certificates in order to pay the premium for the Policy and the cost of the Municipal Bond Debt Service Reserve Insurance Policy (the "Reserve Fund Policy") to be issued by the Insurer.]

2. *Public Offering.* The Underwriter agrees to make a bona fide public offering of all of the Certificates at prices not to exceed the public offering prices set forth on the inside

cover of the Offering Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Certificates to certain dealers (including dealers depositing Certificates into investment trusts) and others at prices lower than the public offering price stated on the cover of the Offering Statement.

3. *The Offering Statement.*

(a) Attached hereto as Appendix C is a copy of the Preliminary Offering Statement dated _____ __, 2015 (the *"Preliminary Offering Statement"*), including the cover page and Appendices thereto, relating to the Certificates. Such copy of the Preliminary Offering Statement, as amended to reflect the changes marked or otherwise indicated on Appendix C hereto, is hereinafter called the *"Offering Statement."*

(b) The Preliminary Offering Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Certificates. The City hereby represents and warrants that the Preliminary Offering Statement was deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Certificates for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the *"Rule"*).

(c) The City hereby authorizes the Offering Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Certificates. The City ratifies and consents to the use by the Underwriter prior to the date hereof of the Preliminary Offering Statement in connection with the public offering of the Certificates. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Agreement (but, in any event, not later than within seven business days after the City's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Offering Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. The City hereby confirms that it does not object to the distribution of the Offering Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Offering Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) or (ii) the time when the Offering Statement is available to any person from "EMMA", the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, with a portal at http://emma.msrb.org., but in no case less than 25 days after the "end of the underwriting period" for the Certificates), the City becomes aware of any fact or event which might or would cause the Offering Statement, as

then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Offering Statement to comply with law, the City will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter and Disclosure Counsel to the City, such fact or event requires preparation and publication of a supplement or amendment to the Offering Statement, the City will forthwith prepare and furnish, at the City's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Offering Statement so that the statements in the Offering Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Offering Statement will comply with law. If such notification shall be subsequent to the Closing, the City shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Offering Statement.

(e) The Underwriter hereby agrees to file the Offering Statement with the Municipal Securities Rulemaking Board. Unless otherwise notified in writing by the Underwriter, the City can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

4. *Representations, Warranties and Agreements of the Corporation.* By its acceptance hereof, the Corporation hereby represents, and warrants to, and agrees with, the Underwriter that:

(a) The Corporation is a not-for-profit corporation, duly created, organized and existing under the laws of the State, and has full legal right, power and authority under the laws of the State, and at the date of the Closing will have full legal right, power and authority under the Corporation Resolution (i) to adopt the Corporation Resolution and to enter into, execute and deliver this Agreement, the Trust Agreement, the Ground Lease, the Lease and all documents required hereunder and thereunder to be executed and delivered by the Corporation (this Agreement, the Corporation Resolution, the Trust Agreement, the Ground Lease, and the Lease are hereinafter referred to as the "Corporation Documents"), (ii) to sell, issue and deliver the Certificates to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Corporation Documents and the Offering Statement, and the Corporation has complied, and will at the Closing be in compliance, in all material respects, with the terms of the Act and the Corporation Documents as they pertain to such transactions;

(b) By all necessary official action of the Corporation prior to or concurrently with the acceptance hereof, the Corporation has duly authorized all necessary

action to be taken by it for (i) the adoption of the Corporation Resolution and sale of the Certificates, (ii) the approval, execution and delivery of, and the performance by the Corporation of the obligations on its part and the Corporation Documents and (iii) the consummation by it of all other transactions contemplated by the Offering Statement, and the Corporation Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Corporation in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Offering Statement;

(c) The Corporation Documents constitute legal, valid and binding obligations of the Corporation, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Certificates, when issued, delivered and paid for, in accordance with the Corporation Resolution, the Trust Agreement and this Agreement, will constitute legal, valid and binding obligations of the Corporation entitled to the benefits of the Trust Agreement and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Certificates as aforesaid;

(d) The Corporation is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or to which the Corporation is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Corporation under any of the foregoing; and the execution and delivery of the Certificates, the Corporation Documents and the adoption of the Corporation Resolution and compliance with the provisions on the Corporation's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or to which the Corporation is or to which any of its property or assets are otherwise subject;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Corporation of its obligations under the Corporation Documents, have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Certificates;

(f) The Certificates conform to the description the descriptions thereof contained in the Offering Statement under the caption "DESCRIPTION OF THE SERIES 2015 CERTIFICATES"; the Trust Agreement conforms to the description thereof contained in the Offering Statement under "SUMMARY OF LEASE-PURCHASE PLAN – Trust Agreement"; the proceeds of the sale of the Certificates will be applied generally as described in the Offering Statement under the caption "ESTIMATED SOURCES AND USES OF FUNDS" and the Undertaking conforms to the description thereof contained in the Offering Statement under "OTHER INFORMATION – Continuing Disclosure of Information."

(g) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Corporation after due inquiry, threatened against the Corporation, affecting the existence of the Corporation or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Certificates pursuant to the Corporation Resolution or in any way contesting or affecting the validity or enforceability of the Certificates, the Corporation Documents, or contesting the exclusion from gross income of interest on the Certificates for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Offering Statement or the Offering Statement or any supplement or amendment thereto, or contesting the powers of the Corporation or any authority for the issuance of the Certificates, the adoption of the Corporation Resolution or the execution and delivery of the Corporation Documents, nor, to the best knowledge of the Corporation, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates or the Corporation Documents;

(h) As of the date thereof, the Preliminary Offering Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Corporation's acceptance hereof and (unless the Offering Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Offering Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Offering Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Offering Statement as so supplemented or

amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The Corporation will apply, or cause to be applied, the proceeds from the sale of the Certificates as provided in and subject to all of the terms and provisions of the Trust Agreement;

(l) The Corporation will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Certificates (provided, however, that the Corporation will not be required to expend any funds or to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Corporation of any notification with respect to the suspension of the qualification of the Certificates for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; and

(m) Any certificate, signed by any official of the Corporation authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Corporation to the Underwriter as to the statements made therein.

5. *Representations, Warranties, and Covenants of the City.* The City hereby represents and warrants to and covenants with the Underwriter that:

(a) The City is a municipal corporation of the State of Florida (the *"State")* duly organized, validly existing and in good standing under the laws of the State, and has full legal right, power and authority (i) to enter into, execute and deliver this Agreement, the Ground Lease, the Lease, and Trust Agreement and the Continuing Disclosure Agreement (the "*Undertaking*") as defined in Section 7(h)(3) hereof and all documents required hereunder and thereunder to be executed and delivered by the City (this Agreement, the Ground Lease, the Lease, the Trust Agreement, the Undertaking and the other documents referred to in this clause are hereinafter referred to as the *"City Documents"*), (ii) to sell and cause the Trustee to issue and deliver the Certificates to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the City Documents and the Offering Statement, and the City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents as they pertain to such transactions;

(b) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized all necessary action to be taken by it for (i) the execution of the City Documents, (ii) the approval,

execution and delivery of, and the performance by the City of the obligations on its part, contained in the Certificates and the City Documents, (iii) the consummation by it of all other transactions contemplated by the Offering Statement, and the City Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the City in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Offering Statement and (iv) has duly enacted Ordinance No. 2015-30 (the "Ordinance") and the same is in full force and effect on the date hereof and has not been modified, amended or repealed;

(c) The City Documents constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Certificates, when issued, delivered and paid for, in accordance with the Trust Agreement;

(d) The City is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the City under any of the foregoing; and the execution and delivery of the Certificates, the City Documents, and enactment of the Authorizing Ordinance and compliance with the provisions on the City's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City to be pledged to secure the Certificates or under the terms of any such law, regulation or instrument, except as provided by the Certificates and the Trust Agreement;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under the City Documents, and the Certificates have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Certificates;

(f) The Certificates conform to the descriptions thereof contained in the Offering Statement under the caption "DESCRIPTION OF THE SERIES 2015 CERTIFICATES"; the Trust Agreement conforms to the description thereof

contained in the Offering Statement under "SUMMARY OF LEASE-PURCHASE PLAN – Trust Agreement"; the proceeds of the sale of the Certificates will be applied generally as described in the Offering Statement under the caption "ESTIMATED SOURCES AND USES OF FUNDS" and the Undertaking conforms to the description thereof contained in the Offering Statement under "OTHER INFORMATION – Continuing Disclosure of Information";

(g) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the City after due inquiry, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Certificates or in any way contesting or affecting the validity or enforceability of the Certificates, the City Documents, or contesting the exclusion from gross income of interest on the Certificates for federal income tax purposes or State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Offering Statement or the Offering Statement or any supplement or amendment thereto, or contesting the powers of the City or any authority for the issuance of the Certificates or the execution and delivery of the City Documents, nor, to the best knowledge of the City, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates or the City Documents;

(h) As of the date thereof, the Preliminary Offering Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the City's acceptance hereof and (unless the Offering Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Offering Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Offering Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Offering Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The City will apply, or cause to be applied, the proceeds from the sale of the Certificates as provided in and subject to all of the terms and provisions of the Trust Agreement and;

(l) The City will furnish, at no expense to the City, such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Certificates and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Certificates for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding the City, in the Preliminary Offering Statement fairly present the financial position and results of the City as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the City. The City shall not be a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the City, would have a materially adverse effect on the financial condition of the City;

(n) Any certificate, signed by any official of the City authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

6. *Closing.*

(a) At 9:00 a.m. Eastern Time, on _____ __, 2015, or at such other time and date as shall have been mutually agreed upon by the Corporation and the City and the Underwriter (the *"Closing"*), the Corporation and the City will cause the Trustee, subject to the terms and conditions hereof, to deliver the Certificates to the Underwriter duly executed, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Certificates as set forth in Section 1 of [this Agreement, less the amount withheld to pay for the Policy and the Reserve Fund Policy,] by a wire transfer payable in immediately available funds to the order of the City. Payment for the Certificates as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Trustee, the City and the Underwriter.

(b) It is intended that the Certificates will be issued and delivered through the "FAST" closing procedure of the Depository Trust Company for credit to the account of the Underwriter. The Certificates shall be delivered in definitive fully registered book-entry form, bearing CUSIP numbers without coupons, with one certificate for each maturity of the Certificates, registered in the name of Cede & Co., all as provided in the Trust Agreement, and shall be made available to the

Underwriter at least one business day before the Closing for purposes of inspection.

7. *Closing Conditions*. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Corporation and the City contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City and the Trustee of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligation under this Agreement to purchase, to accept delivery of and to pay for the Certificates shall be conditioned upon the performance by the City and the Corporation of their respective obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the City and the Corporation of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the City contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The City shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the City Documents and the Certificates shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Offering Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the City required to be taken by the City shall be performed in order for Special Counsel and other counsel to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Ground Lease, the Lease and the Trust Agreement shall have been duly executed and delivered by the City and the City shall have duly executed and delivered and the registrar shall have duly authenticated the Certificates;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the City or the Trustee, from that set forth in the Offering Statement that in the reasonable judgment of the Underwriter, is material and adverse and that makes it, in the reasonable judgment of the Underwriter, impracticable to market the Certificates on the terms and in the manner contemplated in the final Offering Statement;

(f) The City shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(h) At or prior to the Closing, the Underwriter shall have received copies of each of the following:

(1) the Offering Statement, and each supplement or amendment thereto, if any, executed on behalf of the City by the Mayor of the City, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Offering Statement;

(2) the Trust Agreement, Lease, Ground Lease and the other City documents;

(3) the Undertaking of the City satisfying requirements of section (b)(5)(i) of the Rule;

(4) the approving opinion of Special Counsel with respect to the Certificates, in substantially the form attached to the Offering Statement together with a reliance letter to the Underwriter;

(5) a supplemental opinion of Disclosure Counsel addressed to the City, with a reliance letter to the Underwriter, substantially in the form attached hereto as Appendix D;

(6) A certificate, dated the date of Closing, of the City to the effect that (i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City, (c) contest the validity, due authorization and execution of the Certificates or the City Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from functioning and collecting Available Revenues; (iii) the Authorizing Ordinance of the City authorizing, among other things, the Certificates and City Documents has been duly enacted by the City, is in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge, no event affecting the City has occurred since the date of the final Offering Statement which should be disclosed in the Offering Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information

contained in the final Offering Statement is correct in all material respects and, as of the date of the final Offering Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(7) An opinion, dated the date of Closing, of the City Attorney addressed to the City, the Corporation and the Underwriter, in substantially the form and substance set forth below, to the effect that:

(A) the Corporation is a not-for-profit corporation, duly organized under the laws of the State of Florida (the "State") and the City is a duly existing municipal corporation of the State, and each has good right and lawful authority within the Constitution and laws of the State to enact the Authorizing Ordinance or adopt the Corporation Resolution and to authorize and issue the Certificates; the execution, delivery and due performance of this Agreement was duly authorized by the Corporation and the City; and the Corporation Documents have been duly executed and delivered by the Corporation and the City Documents have been duly executed and delivered by the City, are in full force and effect and constitute the valid, legal and binding obligations of the Corporation and the City, respectively, enforceable in accordance with their terms; and under the laws of the State, subject to customary qualifications;

(B) the enactment of the Authorizing Ordinance, adoption of the Corporation Resolution and the execution and delivery of the Corporation Documents and the City Documents and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any existing law, administrative regulation, court decree, resolution or agreement to which the Corporation is subject;

(C) except as disclosed in the Offering Statement, to the best of his knowledge after due inquiry with respect thereto, no litigation or other proceedings are pending or threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way (1) restraining or enjoining the issuance, sale or delivery of any of the Certificates; or (2) questioning or affecting the validity of the Corporation Documents or the City Documents, the Certificates or any of the Available Revenues; or (3) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, registration, issuance or delivery of the Certificates and the security therefor; or (4) questioning or affecting the organization or existence of the Corporation, the City

or the City Commission or the title to office of the officers thereof, or (5) which could materially adversely affect the operations of the Corporation or the City or the financial condition of the City;

(D) except as disclosed in the Offering Statement, all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the Corporation and the City of their obligations hereunder and under the Corporation Documents and the City Documents have been obtained and are in full force and effect or can be obtained in the ordinary course;

(E) the Offering Statement, as of the date of such document and at all subsequent times up to and including the date of Closing, as to the information therein did not and does not contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make such information not misleading; as of the date of Closing;

(F) subject to the terms and conditions of the City Documents, the City has the power and authority under the laws of the State to appropriate the Available Revenues and to pay the Basic Rent Payments, in accordance with the terms of the Lease Purchase Agreement; and

(G) the Offering Statement has been duly authorized, executed and delivered for use in connection with the sale of the Certificates.

(8) an opinion of counsel to the Trustee dated the Closing Date and addressed to the Underwriter, the Corporation and the City to the effect that (i) the Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States; (ii) the Trustee has the corporate trust power and authority to execute and deliver, and to perform all of its obligations under the Trust Agreement and the Assignment of Leases; (iii) the Trust Agreement and the Assignment of Leases have been duly executed and delivered by the Trustee and, insofar as the laws governing trust powers of the Trustee are concerned and assuming due authorization, execution and delivery thereof by the Corporation, constitute the legal, valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with their respective terms, subject as to enforcement to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect and to general principles of equity; and (iv) the Certificates have been

executed and delivered by the Trustee in accordance with the Trust Agreement.

(9) Any other certificates and opinions required by the City Documents for the issuance thereunder of the Certificates;

(10) [A municipal bond insurance policy and a municipal bond debt service reserve insurance policy issued by _____];

(11) Evidence satisfactory to the Underwriter that the Certificates have been rated " " by_____ [based upon the Policy to be issued concurrently with the delivery of the Certificates, and " " by _____ as the underlying rating of the Certificates without regard to the delivery of the Policy,] and that such ratings are in effect as of the date of Closing; and

(12) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City's representations and warranties contained herein and of the statements and information contained in the Offering Statement and the due performance or satisfaction by the City on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the City; and

(13) All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Certificates shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder, except that the obligations of the City set forth in Sections 4 and 8(c) hereof shall continue in full force and effect.

8. *Termination.* The Underwriter shall have the right to cancel its obligation to purchase the Certificates if, between the date hereof and the Closing, the market price or marketability of the Certificates shall be materially adversely affected, in the reasonable judgment of the Underwriter, by any of the following:

(a) legislation is introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having

jurisdiction of the subject matter, to the effect that obligations of the general character of the Certificates, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Certificates, including any or all underlying arrangements, as contemplated hereby or by the Offering Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(b) any state blue sky or securities commission or other governmental agency or body in any jurisdiction in which more than ten percent (10%) of the Certificates have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Certificates as described herein, or issued a stop order or similar ruling relating thereto;

(c) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(d) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Certificates or as to obligations of the general character of the Certificates, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

(e) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Offering Statement, or has the effect that the Offering Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except if such Offering Statement is supplemented in accordance with Section 3(d) hereof such event will not be an event of termination;

(f) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except for changes which the Offering Statement discloses are expected to occur which has a materially adverse effect on the market price or the marketability of the Certificates and any supplement or amendment to the Official Statement pursuant to section 3(d) hereof does not cure any such adverse effect;

(g) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise which has a materially adverse effect on the market price or marketability of the Certificates;

(h) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the City's obligations; and

(i) the purchase of and payment for the Certificates by the Underwriter, or the resale of the Certificates by the Underwriter, on the terms and conditions herein provided shall, in the opinion of legal counsel to the Underwriter, be prohibited by any applicable law, governmental authority, board, agency or commission.

(j) with respect to the conditions described in subparagraph (g) above, the Underwriter, as of the date hereof, is not aware of any pending or proposed law or hostilities or calamity that would permit the Underwriter to cancel its obligations to purchase the Certificates as set forth herein.

9. *Expenses.*

(a) The Underwriter shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the City's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Certificates, (ii) the fees and disbursements of Special Counsel and counsel to the City; (iii) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the City; and (iv) the fees for bond ratings and the related travel expenses associated with such ratings. The City shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Agreement and the issuance of the Certificates, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs, subject to approval by the City. At Closing, the estimated expenses, also known as the "costs of issuance", shall be deposited with the paying agent for payment, on behalf of the City and upon invoice thereof, of such costs. The City acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Certificates.

(b) The Underwriter shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Certificates; and (iii) all other expenses incurred by it in connection with the public offering of

the Certificates, including any fees and disbursements of counsel retained by the Underwriter.

(c) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the City to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the City shall be unable to perform its obligations under this Agreement, the City will reimburse the Underwriter for all out-of-pocket expenses reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

10. *Notices*. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to the City at the address listed above, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to RBC Capital Markets LLC, 3801 PGA Blvd., Suite 801, Palm Beach Gardens, Florida 33410, Attention: Nate Eckloff.

11. *Parties in Interest*. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the City. All of the City's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) delivery of and payment for the Certificates pursuant to this Agreement; and (ii) any termination of this Agreement.

12. *Effectiveness*. This Agreement shall become effective upon the acceptance hereof by the City and shall be valid and enforceable at the time of such acceptance.

13. *Choice of Law and Venue*. This Agreement shall be governed by and construed in accordance with the law of the State of Florida and venue shall be in Broward County, Florida.

14. *Severability*. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

15. *Business Day*. For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

16. *Section Headings*. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17. *Counterparts*. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and

hereto were upon the same document) and all of which shall constitute one and the same document.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this agreement shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

RBC CAPITAL MARKETS, LLC

By:_____
Nate Eckloff

ACCEPTANCE

ACCEPTED this ___ day of _____, 2015 at _____ a.m./p.m. Eastern Time.

CITY OF POMPANO BEACH

By:_____

Name:_____

Title:_____

ACCEPTANCE

ACCEPTED this ___ day of _____, 2015 at _____ a.m./p.m. Eastern Time.

POMPANO BEACH FINANCE CORPORATION

By:_____

Name:_____

Title:_____

APPENDIX A

FORM OF DISCLOSURE LETTER PURSUANT TO SECTION 218.385, FLORIDA STATUTES

APPENDIX B

PRICING AND REDEMPTION SCHEDULE

APPENDIX C

OFFERING STATEMENT

APPENDIX D

OPINION OF DISCLOSURE COUNSEL

EXHIBIT F

FORM OF PRELIMINARY OFFERING STATEMENT

Draft: 3/16/15

PRELIMINARY OFFERING STATEMENT DATED _____, 2015

NEW ISSUE - Book-Entry-Only **RATINGS: See "RATINGS" herein**

In the opinion of Special Counsel, under existing law, the Interest Component of the Basic Rent Payments is exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220. **THE INTEREST COMPONENT OF BASIC RENT PAYMENTS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES; PROVIDED, HOWEVER NO OPINION IS EXPRESSED WITH RESPECT TO ANY TAX CONSEQUENCES UNDER THE LAWS OF THE STATE OF FLORIDA OF ANY PAYMENTS RECEIVED WITH RESPECT TO THE SERIES 2015 CERTIFICATES FOLLOWING TERMINATION OF THE LEASE AGREEMENT UPON AN EVENT OF NON-APPROPRIATION OR THE OCCURRENCE OF AN EVENT OF DEFAULT THEREUNDER.** For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.

$_____*

TAXABLE CERTIFICATES OF PARTICIPATION
(Parking Garage Project), Series 2015
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, as Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

Dated: Date of Delivery **Due: As shown on inside cover**

The Taxable Certificates of Participation (Parking Garage Project), Series 2015 (the "Series 2015 Certificates") evidence undivided proportionate interests in Basic Rent Payments to be made by the City of Pompano Beach, Florida (the "City") pursuant to a Lease-Purchase Agreement dated as of May 1, 2015 (the "Lease-Purchase Agreement"), as supplemented by a lease schedule thereto (the "Lease Schedule" and together with the Lease-Purchase Agreement, the "Lease Agreement"). The Lease Agreement is entered into by and between the City, as lessee, and Pompano Beach Finance Corporation, a not-for-profit Florida corporation created by the City (the "Corporation"), as lessor, as more fully described herein. The Series 2015 Certificates are being issued under the Trust Agreement dated as of May 1, 2015 (the "Trust Agreement"), among the City, the Corporation, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement. Pursuant to an Assignment of Leases dated as of May 1, 2015 between the Corporation and the Trustee, the Corporation has irrevocably assigned certain of its rights under the Lease Agreement, including the right to

receive Basic Rent Payments paid by the City, to the Trustee. See "APPENDIX C—Forms of The Ground Lease, Lease Agreement and Trust Agreement."

The Series 2015 Certificates will be executed and delivered in fully registered form and will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of Series 2015 Certificates will be made in denominations of $5,000 or any integral multiple thereof. Purchasers of Series 2015 Certificates will not receive physical delivery of Series 2015 Certificates. The Interest Component of Basic Rent Payments represented by the Series 2015 Certificates is payable on January 1 and July 1 of each year, commencing July 1, 2015. The Interest Component and Principal Component of the Basic Rent Payments will be paid by the Trustee, to Cede & Co., as nominee for DTC, as registered owner of the Series 2015 Certificates, to be subsequently disbursed to DTC participants and thereafter to the beneficial owners of the Series 2015 Certificates, all as further described herein. See "THE SERIES 2015 CERTIFICATES—Book-Entry-Only System."

Proceeds of the Series 2015 Certificates will be used to provide funds to (i) finance, all or in part, the acquisition, construction and installation of a new public parking garage structure to be located on land owned by the City adjacent to its public beach and public pier area, together with related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, [signalization] and on-street parking spaces, as more fully described herein under "THE PROJECT," (ii) pay capitalized interest on the Series 2015 Certificates through on or about July 1, 2016; [(iii) fund the Reserve Account in an amount equal to the Reserve Requirement for the Series 2015 Certificates [through the deposit of a Reserve Account Surety Bond issued by __ (the "Series 2015 Insurer")]; and (iv) pay Costs of Issuance of the Series 2015 Certificates[, including the premium for the Reserve Account Surety Bond and a Municipal Bond Insurance Policy issued by the Series 2015 Insurer]. See "ESTIMATED SOURCES AND USES OF FUNDS."

Completion Certificates and Refunding Certificates may be issued on a parity with the Series 2015 Certificates under the Trust Agreement, subject to the terms and conditions thereof. See "SECURITY FOR THE SERIES 2015 CERTIFICATES—Completion Certificates and — Refunding Certificates." The Series 2015 Certificates are subject to optional, extraordinary and mandatory prepayment prior to maturity, as described herein. See "DESCRIPTION OF THE SERIES 2015 CERTIFICATES—Prepayment."

THE PAYMENTS DUE FROM THE CITY UNDER THE LEASE AGREEMENT ARE TO BE MADE ONLY FROM AVAILABLE REVENUES APPROPRIATED BY THE CITY FOR SUCH PURPOSE, AND NEITHER THE CITY, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE UNDER THE LEASE AGREEMENT FROM SOURCES OTHER THAN APPROPRIATED REVENUES, AND THE FAITH AND CREDIT OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER THE LEASE AGREEMENT. THE OBLIGATIONS ARISING UNDER THE LEASE AGREEMENT DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE

MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. SEE "SECURITY FOR THE SERIES 2015 CERTIFICATES" AND "RISK FACTORS."

[The timely payment of the Principal Component and Interest Component on the Series 2015 Certificates when due will be insured by a financial guaranty insurance policy issued by the Series 2015 Insurer concurrently with the delivery of the Series 2015 Certificates. See "CERTIFICATE INSURANCE" herein.]

[INSERT LOGO]

SEE THE INSIDE COVER FOR THE MATURITY SCHEDULE FOR THE SERIES 2015 CERTIFICATES.

INVESTMENT IN THE SERIES 2015 CERTIFICATES POSES CERTAIN RISKS. SEE "RISK FACTORS" AND "SUITABILITY FOR INVESTMENT."

This cover page contains certain information for quick reference only. It is not a summary of the transaction. Investors must read the entire Offering Statement to obtain information essential to the making of an informed investment decision.

Upon the occurrence of an Event of Non-Appropriation, the Lease Term of the Lease Agreement shall, and upon an Event of Default, such Lease Term may, be terminated. Following termination of the Lease Agreement, transfer of the Series 2015 Certificates may be subject to compliance with the registration provisions of state and federal securities laws. See "TAX MATTERS" and "RISK FACTORS" herein. [Termination of the Lease Agreement will not result in termination of the Municipal Bond Insurance Policy issued by the Series 2015 Insurer. See "CERTIFICATE INSURANCE" herein.]

The Series 2015 Certificates are offered for delivery in book-entry form, when, as and if issued by the Trustee and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Greenspoon Marder, P.A., Fort Lauderdale, Florida, Special Counsel, as to the validity of the Series 2015 Certificates. Greenspoon Marder, P.A., Fort Lauderdale, Florida, is also serving as Disclosure Counsel to the City. Gordon Linn, Esq. is City Attorney of the City. Lewis, Longman & Walker, P.A., West Palm Beach, Florida is serving as Underwriter's Counsel. Certain legal matters will be passed on for the Trustee by Senior Counsel in the Legal Department of the Trustee. Public Financial Management, Inc. Miami, Florida, is serving as Financial Advisor to the City. It is expected that the Series 2015 Certificates will be delivered in book-entry form through the facilities of DTC, New York, New York on or about May ___, 2015.

RBC CAPITAL MARKETS

Dated: _____, 2015

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*Preliminary, subject to change

[Inside Cover]

MATURITY SCHEDULE

$_____* Serial Series 2015 Certificates

Due January 1,*	Principal Amount*	Interest Rate	Price	Initial CUSIP No.**
	$	%	%	

$_____* ____% Term Series 2015 Certificates Maturing January 1, 20___* Price ____%
Initial CUSIP No. _____**

* Preliminary, subject to change.

** The City is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. CUSIP numbers are included solely for the convenience of the readers of this Offering Statement.

CITY OF POMPANO BEACH, FLORIDA

CITY COMMISSION

Lamar Fisher, Mayor
Charlotte Burrie, Vice Mayor
Barry Dockswell
Rex Hardin
Barry Moss
Ed Phillips

SELECTED ADMINISTRATIVE STAFF

Name	Position
Dennis Beach	City Manager
Gordon Linn, Esq.	City Attorney
Asceleta Hammond	City Clerk
Suzette Sibble	Finance Director

CONSULTANTS AND ADVISORS

Special Counsel and Disclosure Counsel

Greenspoon Marder, P.A.
Fort Lauderdale, Florida

Financial Advisor

Public Financial Management, Inc.
Miami, Florida

Parking Garage Feasibility Consultant

Lansing Melbourne Group, LLC
Fort Lauderdale, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY, THE CORPORATION, THE UNDERWRITER OR THE SERIES 2015 INSURER (AS SUCH TERMS ARE DEFINED HEREIN) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE SERIES 2015 CERTIFICATES (HEREIN DEFINED), OTHER THAN THOSE CONTAINED IN THIS OFFERING STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CITY, THE CORPORATION, THE UNDERWRITER [OR THE SERIES 2015 INSURER]. THIS OFFERING STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2015 CERTIFICATES, BY ANY PERSON IN ANY STATE IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFERING STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF. THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFERING STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFERING STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

[OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE SERIES 2015 INSURER CONTAINED UNDER THE HEADING "CERTIFICATE INSURANCE" HEREIN AND THE SPECIMEN POLICY APPEARING IN APPENDIX F HERETO, NONE OF THE INFORMATION IN THIS OFFERING STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE SERIES 2015 INSURER, AND THE SERIES 2015 INSURER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; OR (II) THE VALIDITY OF THE SERIES 2015 CERTIFICATES].

THE SERIES 2015 CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE TRUST AGREEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2015 CERTIFICATES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATE, IF ANY, IN WHICH THE SERIES 2015 CERTIFICATES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2015 CERTIFICATES OR THE ACCURACY OR COMPLETENESS OF THIS OFFERING STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY UPON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2015 CERTIFICATES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015 CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET.

SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2015 CERTIFICATES TO CERTAIN DEALERS AND OTHERS AT PRICES OR YIELDS LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER OF THIS OFFERING STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFERING STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. SEE "OTHER INFORMATION—FORWARD-LOOKING STATEMENTS DISCLAIMER."

THIS OFFERING STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITER AND ANY ONE OR MORE HOLDERS OF THE SERIES 2015 CERTIFICATES.

THIS OFFERING STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFERING STATEMENT SHOULD BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES.

THE CITY AND THE CORPORATION HAVE DEEMED THIS PRELIMINARY OFFERING STATEMENT "FINAL" AS OF ITS DATE WITHIN THE MEANING OF RULE 15(C)2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, EXCEPT FOR PERMITTED OMISSIONS UNDER SUCH RULE.

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OFFERING STATEMENT
RELATING TO

$_____*
TAXABLE CERTIFICATES OF PARTICIPATION
(Parking Garage Project), Series 2015
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, as Lessee,
Pursuant to a Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

INTRODUCTION

This Offering Statement, which includes the cover page, inside cover page and the Appendices hereto, provides certain information regarding the issuance of $_____* in aggregate principal amount of Taxable Certificates of Participation (Parking Garage Project), Series 2015 (the "Series 2015 Certificates"). The Series 2015 Certificates are being issued under the Trust Agreement dated as of May 1, 2015 (the "Trust Agreement"), among the City of Pompano Beach, Florida (the "City"), Pompano Beach Finance Corporation, a not-for-profit Florida corporation created by the City (the "Corporation") and The Bank of New York Mellon Trust Company, as trustee (the "Trustee"). All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Trust Agreement included herein as Appendix C.

Proceeds of the Series 2015 Certificates will be used to provide funds to (i) finance, all or in part, the acquisition, construction and installation of a new public parking garage structure (the "Parking Garage") to be located on land owned by the City adjacent to its public beach and public pier area, together with related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, [signalization] and on-street parking spaces utility lines and additional parking spaces, as more fully described herein under "THE PROJECT" and defined in the Trust Agreement (collectively, the "Project"); (ii) pay capitalized interest on the Series 2015 Certificates through on or about July 1, 2016 ; [(iii) fund the Reserve Account in an amount equal to the Reserve Requirement for the Series 2015 Certificates [through the deposit of a Reserve Account Surety Bond issued by _____ (the "Series 2015 Insurer")]; and (iv) pay Costs of Issuance of the Series 2015 Certificates[, including the premium for the Reserve Account Surety Bond and a Municipal Bond Insurance Policy issued by the Series 2015 Insurer]. See "ESTIMATED SOURCES AND USES OF FUNDS."

The City owns the Land on which the Project will be located. Pursuant to a Ground Lease dated as of May 1, 2015 between the City, as lessor, and the Corporation, as lessee (the "Ground Lease"), the City will lease the Land to the Corporation, subject to Permitted Encumbrances (as defined in the Ground Lease).

*Preliminary, subject to change.

The Corporation will lease the Land and the Project back to the City pursuant to a Lease-Purchase Agreement dated as of May 1, 2015 (the "Lease-Purchase Agreement"), as supplemented by a lease schedule thereto (the "Lease Schedule" and together with the Lease-Purchase Agreement, the "Lease Agreement") between the Corporation, as lessor, and the City, as lessee. See "APPENDIX C—Forms of Ground Lease, Lease Agreement and Trust Agreement."

The Series 2015 Certificates evidence undivided proportionate interests in Basic Rent Payments to be made by the City pursuant the Lease Agreement. Pursuant to an Assignment of Leases dated as of May 1, 2015 (the "Assignment Agreement") between the Corporation and the Trustee, the Corporation has irrevocably assigned certain of its rights under the Lease Agreement, including the right to receive Basic Rent Payments paid by the City, to the Trustee. See "SECURITY FOR THE SERIES 2015 CERTIFICATES" herein.

Completion Certificates and Refunding Certificates may be issued on a parity with the Series 2015 Certificates under the Trust Agreement, subject to the terms and conditions thereof. See "SECURITY FOR THE SERIES 2015 CERTIFICATES—Completion Certificates and Refunding Certificates" herein. The Series 2015 Certificates are subject to optional, extraordinary and mandatory prepayment prior to maturity, as described herein. See "DESCRIPTION OF THE SERIES 2015 CERTIFICATES—Prepayment" herein.

THE PAYMENTS DUE FROM THE CITY UNDER THE LEASE AGREEMENT ARE TO BE MADE ONLY FROM AVAILABLE REVENUES APPROPRIATED BY THE CITY FOR SUCH PURPOSE, AND NEITHER THE CITY, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE UNDER THE LEASE AGREEMENT FROM SOURCES OTHER THAN APPROPRIATED REVENUES, AND THE FAITH AND CREDIT OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER THE LEASE AGREEMENT. THE OBLIGATIONS ARISING UNDER THE LEASE AGREEMENT DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. See "SECURITY FOR THE SERIES 2015 CERTIFICATES" and "RISK FACTORS" herein.

[The timely payment of the Principal Component and Interest Component on the Series 2015 Certificates when due will be insured by the Municipal Bond Insurance Policy to be issued concurrently with the delivery of the Series 2015 Certificates by the Series 2015 Insurer. See "CERTIFICATE INSURANCE" herein.]

INVESTMENT IN THE SERIES 2015 CERTIFICATES POSES CERTAIN RISKS. SEE "RISK FACTORS" AND "SUITABILITY FOR INVESTMENT."

Brief descriptions of the Ground Lease, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Series 2015 Certificates, and the security for the Series 2015 Certificates are included in this Offering Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of

such documents may be obtained from the City's Financial Advisor, Public Financial Management, Inc., Miami, Florida. See Appendix C hereto for forms of the Ground Lease, Lease Agreement and Trust Agreement.

THE PROJECT

General

The Land owned by the City on which the proposed Parking Garage will be located is situated adjacent to the City's public beach and pier on the southeast intersection of State Road AIA and NE 3rd Street. The Land is located within the City's Community Redevelopment Agency's East District (the "East District"). The East District has been the subject of a significant redevelopment effort in recent years. As part of that redevelopment effort, pursuant to a public proposal process, the City has entered into a written development agreement with a private developer (the "Pier Development Agreement") to further new development on land owned by the City around the pier, which will be ground leased to the developer pursuant to the Pier Development Agreement. Pier development is planned to consist of beach and pier-oriented retail shops, restaurants, concessions, open space, plazas and general areas that are intended to attract residents and visitors, together with related infrastructure and parking (the "Pier Project"). The Pier Project may ultimately include development of a hotel, subject to the terms and conditions of the Pier Development Agreement. The Pier Project will be implemented in phases, with construction of the first phase scheduled to commence in January, 2016 and the final phase expected to be completed in September, 2019. The Parking Garage is anticipated to serve persons using the beach and the businesses and restaurants in the beach and pier area, including those to be developed as part of the Pier Project.

Project Components

The Parking Garage is planned to contain a total of approximately 609 to 615 parking spaces on five floors (composed of the ground floor plus four elevated decks) and will consist of approximately 281,804 gross square feet, of which a portion may be developed as retail space as part of the Pier Project. The ground floor is expected to provide valet parking spaces for nearby businesses and restaurants.

To maximize queuing capacity and customer convenience, the access points to the Parking Garage are planned to be located on its east face. This necessitates the construction of new roadways around the Parking Garage, connecting NE 2nd Street to NE 3rd Street in a north-south direction, and a new roadway along the south side of the Parking Garage that will connect Pompano Beach Boulevard to State Road AIA **[add any additional roads]** (collectively, the "Roadways"). Water service utility lines will be laid in the Roadways to provide fire connections and sewer utility lines will be extended throughout the Roadways. A master storm drainage system will be installed to maintain water quality and comply with South Florida Water Management District regulations. The Roadways will contain an additional 54 on-street parking spaces that will be operated as part of the City's Parking System (hereinafter defined). Landscaping **[and signalization]** will also be installed in the Roadways.

The City is negotiating a guaranteed maximum price contract (the "Construction Contract") with Kaufman Lynn Construction to design and build the Project, with a preliminary

estimated construction cost of $18,832,394, of which approximately $17,882,760 relates to costs associated with the Parking Garage. The Construction Contract is expected to be finalized prior to the sale of the Series 2015 Certificates. The final Offering Statement relating to the Series 2015 Certificates is expected to reflect the actual guaranteed maximum price for construction of the Project as set forth in the final Construction Contract.

Construction of the Project is expected to commence in May, 2015 and to be substantially complete by May, 2016. Currie Sowards Aguila Architects have been engaged by the City to design the Project. An artist's rendering of the Parking Garage and the adjacent roadways included in the Project is set forth below:

[Insert rendering of Parking Garage and Roadways]

As more fully described under "SECURITY FOR THE SERIES 2015 CERTIFICATES--General" only the Parking Garage and the related Parking Garage Land (and no other portion of the Project) will be subject to surrender upon an Event of Non-Appropriation or an Event of Default under the Lease Agreement and such Parking Garage and related Parking Garage Land is required to be used as a public parking garage for the benefit of the public at large throughout the Ground Lease Term. See ""SUMMARY OF LEASE-PURCHASE PLAN," "RISK FACTORS" and "SUITABILITY FOR INVESTMENT."

Parking System

The Parking Garage and the additional parking spaces developed as part of the Project, as well as any additional parking spaces developed as part of the Pier Project, will be operated as part of the City's public parking system (the "Parking System"). The City has provided public parking for many years, but began to significantly increase the number of its fee-based parking spaces in 2010. The City currently operates 1,386 parking spaces throughout the City (in five lots, with the balance comprised of on-street parking), of which 1,160 spaces are currently metered. The City anticipates that it will ultimately charge fees for the use of all of its parking spaces.

Effective as of October 1, 2013, the City established its parking system enterprise fund (the "Parking System Enterprise Fund") to account for revenues generated by the Parking System (the "Parking System Revenues") and all related Parking System expenses. The City has engaged Lansing Melbourne Group, LLC to prepare a study relating to the Parking System, including projections of Parking System Revenues and demand for the Parking Garage and related parking spaces to be implemented as part of the Project and the Pier Project.

The City has also engaged Denison Parking (the "Parking Manager") to provide day-to-day management of the City's Parking System operations. The Parking Manager's scope of services under its contract with the City will include delivering a report to the City to include a comprehensive assessment of the City's current Parking System operations and include recommendations to streamline and improve parking operations. The Parking Manager will also advise the City in matters relating to the development of the Parking Garage and will ultimately be responsible for managing the Parking Garage (including potentially valet parking), at the City's direction. The initial term of the Parking Manager's engagement will commence on May 1, 2015.

DESCRIPTION OF THE SERIES 2015 CERTIFICATES

General

The Series 2015 Certificates are issuable in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof and will be lettered and numbered R-1 and upward. The Series 2015 Certificates will be dated as of their date of issuance and will mature, subject to prior prepayment, on the dates and in the principal amounts set forth on the inside cover page of this Offering Statement. Except as provided in the Trust Agreement, the Principal Component of the Basic Rent Payments represented by the Series 2015 Certificates will be payable whether at maturity or upon prepayment at the Principal Office of the Trustee in East Syracuse, New York. The Interest Component of the Basic Rent Payments represented by the Series 2015 Certificates is payable semiannually on each January 1 and July 1, commencing July 1, 2015, and will accrue at the rates set forth on the inside cover page of this Offering Statement.

Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CORPORATION AND THE CITY BELIEVE TO BE RELIABLE, BUT NEITHER THE CORPORATION, THE CITY NOR THE UNDERWRITER TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2015 Certificates. The Series 2015 Certificates will be issued as fully-registered certificates registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015 Certificate will be issued for each maturity of the Series 2015 Certificates, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's Participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such

as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

So long as the book-entry-only system is in effect, beneficial interests in the Series 2015 Certificates will be available in book-entry form only in Authorized Denominations. Purchasers of beneficial interests in the Series 2015 Certificates will not receive certificates representing their beneficial interests in the Series 2015 Certificates purchased.

Purchases of Series 2015 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2015 Certificate (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 2015 Certificates except in the event that use of the book-entry system for the Series 2015 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2015 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2015 Certificates may wish to ascertain that the nominee holding the Series 2015 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 2015 Certificates within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015 Certificates unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds and payment of the principal and interest components of the Basic Rent Payments represented by the Series 2015 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee on a payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC (nor its nominee), the City, the Corporation or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds and Basic Rent Payments represented by the Series 2015 Certificates to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015 Certificates at any time by giving reasonable notice to the City and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015 Certificates, as applicable, are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2015 Certificates will be printed and delivered.

In either of the situations described in the preceding two paragraphs, definitive replacement certificates shall be issued only upon surrender to the City and the Trustee of the Series 2015 Certificates of each maturity by DTC, accompanied by registration instructions for the definitive replacement certificates for such maturity from DTC. The City shall not be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instruction of DTC.

NONE OF THE CITY, THE CORPORATION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS, DTC PARTICIPANTS OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS

NOMINEES WITH RESPECT TO THE SERIES 2015 CERTIFICATES FOR THE ACCURACY OF THE RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO THE SERIES 2015 CERTIFICATES OR THE PROVIDING OF NOTICE OR PAYMENT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE SERIES 2015 CERTIFICATES TO DTC PARTICIPANTS OR BENEFICIAL OWNERS, OR THE SELECTION OF SERIES 2015 CERTIFICATES FOR PREPAYMENT.

None of the City, the Corporation or the Trustee can give any assurances that DTC, DTC Participants or others will distribute payments of principal or interest components represented by the Series 2015 Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners or that DTC will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 2015 Certificates the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

Prepayment

Optional Prepayment

The Series 2015 Certificates maturing on or before January 1, 20___ shall not be subject to optional prepayment. Any of the Series 2015 Certificates maturing after January 1, 20___ may be prepaid, from optional prepayments of Basic Rent Payments made by the City pursuant to the Lease Agreement, in whole or in part, on January 1, 20___ or any date thereafter, and in such order of maturities as may be designated by the City, or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of the Basic Rent Payments to be prepaid, together with accrued interest to the prepayment date.

Extraordinary Mandatory Prepayment

The Series 2015 Certificates are subject to Extraordinary Prepayment, in whole, on any date, or in part, on any Extraordinary Prepayment Date (if in part, in any order of maturity as directed by the City or, in the absence of such direction, in inverse order of maturity and by lot within a maturity as may be designated by the Trustee), without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of the Basic Rent Payments to be prepaid, together with accrued interest to the Extraordinary Prepayment Date, from the Net Proceeds of insurance or condemnation or other amounts deposited with the Trustee pursuant to the provisions of the Lease Agreement. The Extraordinary Prepayment Date with respect to any partial Extraordinary Prepayment shall be the next succeeding Interest Payment Date following the receipt by the Trustee of the moneys to be used for such prepayment; provided, however, if such Interest Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Extraordinary Prepayment Date shall be the second succeeding Interest Payment Date.

The Lease Agreement provides that to the extent that any portion of the Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election received in accordance with the Lease Agreement or any portion of the Net Proceeds of any title insurance award remains after completion of the repair, restoration or replacement of any destroyed, damaged, lost or condemned portion of the Project, then upon the receipt of a certificate executed by an Authorized Officer of the City stating that all the Project Costs with respect to repair, restoration or acquisition of replacement property of the Project in accordance with the Lease Agreement have been paid and the repair, restoration or acquisition of replacement property of the Project has been completed and approved and accepted by the City in accordance with the Lease Agreement, the funds derived from Net Proceeds deposited with the Trustee for such repair, restoration or acquisition of replacement property remaining in the Project Account (other than such portion as is certified by an Authorized Officer of the City as being required to pay remaining Project Costs associated with the repair, restoration or acquisition of replacement property for the Project) shall be deposited into the Lease Payment Fund. However, the Lease Agreement further provides that if the City, in accordance with the terms of the Lease Agreement, elects not to repair, restore or replace the Project or any portion of the Project which has been destroyed, damaged, lost or condemned with the Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election, an amount equal to the Stipulated Loss Value of the Project, or portion thereof, which is not repaired, restored or replaced shall be applied to the Extraordinary Prepayment of Certificates by depositing such amount to the credit of the Prepayment Fund. If the Net Proceeds are less than the Stipulated Loss Value of the Project, or portion thereof, as the case may be, the deficiency shall constitute Supplemental Rent and shall be immediately due and payable by the City, but only from Available Revenues.

The Stipulated Loss Value attributable to a loss of all of the Project shall be computed as the amount necessary to pay the Principal Component of and Interest Component on the Certificates on the next succeeding Extraordinary Prepayment Date. In the event that less than all of the Project then subject to the Lease Agreement suffers such a loss, damage or destruction, the Stipulated Loss Value shall be the product of (i) the result computed by the foregoing sentence multiplied by (ii) a fraction, the numerator of which is the original Cost of the portion of the Project suffering such loss, damage or destruction and the denominator of which is the aggregate Project Cost for the entire Project then subject to the Lease Agreement, including those items suffering such loss, damage or destruction. In each case, the Stipulated Loss Value shall also include any Supplemental Rent, or portion thereof, as the case may be, then due under the Lease Agreement.

Upon payment by the City of the Stipulated Loss Value, such Stipulated Loss Value shall be deposited to the credit of the Prepayment Fund for the sole benefit of the Owners of the Certificates. In the event of payment of the Stipulated Loss Value of a portion of the Project and the Certificates relating thereto, the schedule of Basic Rent Payments in the Lease Schedule for the Project shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component and the remaining Basic Rent resulting from such Extraordinary Prepayment. Such adjustment shall be done in such manner as to match remaining aggregate payments of Basic Rent with principal of and interest coming due on the Certificates that remain Outstanding, the proceeds of which were used to finance or refinance the acquisition and construction of such portion of the Project as shall remain.

It should be noted that if Completion Certificates and/or Refunding Certificates are Outstanding at the time the Series 2015 Certificates are subject to Extraordinary Mandatory Prepayment, amounts available to accomplish such Extraordinary Mandatory Prepayment may be required to be applied ratably to accomplish the Extraordinary Mandatory Prepayment of all Outstanding Certificates.

Mandatory Prepayment

The Series 2015 Term Certificates maturing on January 1, 20___ shall be subject to mandatory prepayment, without Prepayment Premium, commencing on January 1, 20___ from Amortization Installments in the amounts and in the years set forth below (the Trustee shall select such Series 2015 Certificates by lot in such manner as it deems appropriate):

Payment Date (January 1)	Amortization Installment $
*	

*Final Maturity

Provisions Regarding Selection and Partial Prepayment

When Series 2015 Certificates are to be selected for prepayment by lot, selection of the Series 2015 Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Series 2015 Certificate to be prepaid shall be in the principal amount of $5,000 or any whole multiple thereof, and that in selecting portions of Series 2015 Certificates for prepayment, the Trustee shall treat each such Series 2015 Certificate as representing that number of Series 2015 Certificates which is obtained by dividing the principal amount with respect to such Series 2015 Certificate by $5,000.

Notice of Prepayment

When prepayment of Series 2015 Certificates is authorized or required pursuant to the Trust Agreement, the Trustee shall give notice of prepayment to the Owners thereof, at the expense of the City. Such notice shall state: (i) the CUSIP numbers of all Series 2015 Certificates being prepaid, (ii) the original issue date of such Series 2015 Certificates, (iii) the maturity date, series and rate of interest borne by each Series 2015 Certificate being prepaid, (iv) the prepayment date, (v) the Prepayment Price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Series 2015 Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Series 2015 Certificate, the principal amount) of each Series 2015 Certificate to be prepaid, (viii) that on such prepayment date there shall become due and payable upon each Series 2015 Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of Series 2015

Certificates to be prepaid in part only, together with interest accrued thereon to the prepayment date, and that from and after such date interest thereon shall cease to accrue and be payable, (ix) that the Series 2015 Certificates to be prepaid, whether as a whole or in part, are to be surrendered for payment of the Prepayment Price at the designated corporate trust office of the Trustee at an address specified, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such prepayment. Notice of such prepayment shall be given by first class mail, postage prepaid, not more than sixty (60) days or fewer than thirty (30) days prior to said date of prepayment, to the Owners of any Series 2015 Certificates to be prepaid. Any defect in such notice as mailed shall not affect the validity of the proceedings for the prepayment of the Series 2015 Certificates for which proper notice has been given.

If at the time of mailing of notice of an optional prepayment, the City shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Certificates called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

In addition to such mailing of the notice, further notice of redemption shall be given by the Trustee to certain registered securities depositories and information services as set forth in the Trust Agreement, but failure to provide such further notice shall not in any manner defeat the effectiveness of a call for prepayment if notice thereof is given as described in the paragraph above. See the form of Trust Agreement included herein as Appendix C for further details regarding notice of prepayment.

Acceleration

The Trust Agreement permits the Principal Component of the Series 2015 Certificates to be accelerated upon the occurrence of an Event of Default thereunder. See ["CERTIFICATE INSURANCE" and] the form of Trust Agreement included herein as Appendix C.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table presents the estimated sources and uses of funds in connection with the issuance of the Series 2015 Certificates:

Sources of Funds:

Principal Amount of Series 2015 Certificates	$
[Less Original Issue Discount]	( )
Plus Original Issue Premium	
Total Sources of Funds	$

Uses of Funds:

Deposit to Project Account	$
Reimbursement to City[1]	
Deposit to Capitalized Interest Account	
[Deposit to Reserve Account]	
Deposit to Cost of Issuance Account[2]	
Total Uses of Funds	$

(1) For Project costs incurred prior to the date of issuance of the Series 2015 Certificates.

(2) Includes Underwriter's discount, fees of Special Counsel and Disclosure Counsel, Financial Advisor, [Municipal Bond Insurance Policy and Reserve Account Surety Bond premiums], ratings, printing and other related costs of issuance.

CERTIFICATE PAYMENT REQUIREMENTS

Payment requirements on the Series 2015 Certificates, and the corresponding dates such payments are due, are as follows:

Payment Date	Principal/Amortization Installment	Interest	Total
	$	$	$
	_____	_____	_____
	$_____	$_____	$_____

SECURITY FOR THE SERIES 2015 CERTIFICATES

General

The Parking Garage Land on which the Parking Garage is located is required by the City Charter of the City to be used for the benefit of the public at large. **ONLY THE PARKING GARAGE LAND AND THE PARKING GARAGE WILL BE SUBJECT TO SURRENDER UPON AN EVENT OF NON-APPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE AGREEMENT. THE PARKING GARAGE MUST BE USED THROUGHOUT THE GROUND LEASE TERM AS A PUBLIC PARKING GARAGE FOR THE BENEFIT OF THE PUBLIC AT LARGE. THE PORTION OF THE PROJECT OTHER THAN THE PARKING GARAGE, CONSISTING OF THE ROADWAYS, TOGETHER WITH RELATED UTILITY LINES AND DRAINAGE IMPROVEMENTS,[SIGNALIZATION] AND LANDSCAPING AND PARKING SPACES ON THE ROADWAYS, IS NOT BE SUBJECT TO SURRENDER OR THE EXERCISE OF REMEDIES BY THE TRUSTEE UPON AN EVENT OF NON-APPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE AGREEMENT. See "SUMMARY OF LEASE-PURCHASE PLAN," "RISK FACTORS," AND "SUITABILITY FOR INVESTMENT" HEREIN.**

Funds Appropriated for Basic Rent Payments

The Basic Rent Payments and, consequently the Certificate Payments, and all other amounts required to be paid by the City pursuant to the Lease Agreement will be payable solely from Available Revenues appropriated annually by the City as part of its yearly budgeting process. See "SECURITY FOR THE SERIES 2015 CERTIFICATES—Non-Appropriation and Remedies" herein. There shall be credited against such obligation moneys, if any, on deposit with the Trustee in certain Pledged Funds pledged under the Trust Agreement.

Available Revenues are defined in the Trust Agreement as the moneys and revenues of the City legally available in any Fiscal Year to make the Lease Payments, which includes non-ad valorem revenues of the City and ad valorem tax revenues of the City which are legally available to make Lease Payments. The Available Revenues are not pledged to payment of the Series 2015 Certificates. The City has pledged certain of its non-ad valorem revenues to existing bonded indebtedness of the City and has entered into subject to annual appropriation equipment leases. See "APPENDIX A—General Information Regarding the City" and "APPENDIX E—Excerpts from the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014" for a description of such indebtedness. The City's non-ad valorem revenues are also used to pay certain of the City's operating and capital outlay costs. The City may issue additional indebtedness secured by a pledge of its non-ad valorem revenues without the consent of the Owners of the Series 2015 Certificates.

See "DESCRIPTION OF THE CITY—Budget Process" and "RISK FACTORS—Recent Legislative Initiatives" herein.

The payment obligations of the City under the Lease Agreement are subject to annual appropriation and the Lease Agreement shall be terminated upon the occurrence of an Event of Non-Appropriation. An Event of Non-Appropriation will occur if, for any Fiscal Year, the City enacts an annual Budget in accordance with the Act which does not provide sufficient funds (after taking into account any amounts credited or available for credit pursuant to the Lease Agreement) to continue making Lease Payments in full for the next succeeding Renewal Lease Term beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments have been budgeted and appropriated, and the Lease Agreement shall terminate as of the last day of the then-current Initial Lease Term or Renewal Lease Term. Notwithstanding the foregoing, however, in the event the Budget for such ensuing Renewal Lease Term is not enacted prior to expiration of the then-current Initial Lease Term or Renewal Lease Term, the Lease Term relating thereto shall be deemed renewed and the occurrence of the Event of Non-Appropriation shall be deemed suspended pending the enactment of such Budget. In addition, the City shall be liable for any Lease Payments coming due during such period from Available Revenues, to the extent the prior Budget makes such Available Revenues available to the City for that purpose.

Upon the termination of the Lease Agreement as a result of an Event of Non-Appropriation, the City is required to surrender possession of the Parking Garage Land and the Parking Garage, subject to the limitations set forth in the Ground Lease and the Lease Agreement. See "General" above. Remedies available to the Trustee upon an Event of Default or an Event of Non-Appropriation under the Lease Agreement are set forth in the Lease Agreement

and the Trust Agreement included herein as Appendix C and summarized herein under "SUMMARY OF LEASE-PURCHASE PLAN—'Lease Agreement' and —'Trust Agreement.'"

While the City is not legally obligated to do so, it has indicated in the Lease Agreement that it is its present intent to continue the Lease Agreement for the Maximum Lease Term. Subject to the right of non-appropriation, the City has agreed in the Lease Agreement to cause the City Manager of the City to provide for the Lease Payments coming due in the following Fiscal Year in his or her annual Budget recommendation in accordance with the Act and to take such action as may be necessary to include all such Lease Payments (other than Lease Payments to the extent paid from Certificate proceeds or other funds then on deposit in the Lease Payment Fund) due under the Lease Agreement in its annual Budget. See "SUMMARY OF LEASE-PURCHASE PLAN—Lease Agreement" herein.

THE PAYMENTS DUE FROM THE CITY UNDER THE LEASE AGREEMENT ARE TO BE MADE ONLY FROM AVAILABLE REVENUES APPROPRIATED BY THE CITY FOR SUCH PURPOSE, AND NEITHER THE CITY, THE STATE OF FLORIDA, NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE UNDER THE LEASE AGREEMENT FROM SOURCES OTHER THAN APPROPRIATED REVENUES, AND THE FAITH AND CREDIT OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER THE LEASE AGREEMENT. THE OBLIGATIONS ARISING UNDER THE LEASE AGREEMENT DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

Basic Rent Payments and Deposits with the Trustee

The City agrees to pay as lease rental under the Lease Agreement for the Land and the Project the Basic Rent Payments no later than the Basic Rent Payment Dates as set forth in the Lease Schedule, as the same may be modified or amended from time to time following any prepayment of Basic Rent. Basic Rent Payments consist of a Principal Component and an Interest Component which shall be stated in the Lease Schedule (although only an Interest Component may be payable on certain Basic Rent Payment Dates). All Basic Rent Payments shall be paid in arrears on the Basic Rent Payment Dates. The City shall pay the Basic Rent to the Trustee at its Principal Office and the Trustee shall apply such payments as provided in the Trust Agreement.

To assure timely payment of each Basic Rent Payment, the City must deposit with the Trustee, on the fifteenth (15th) day of the month preceding each Payment Date after the commencement of the City's obligation to pay Basic Rent Payments from Available Revenues as set forth in the Lease Schedule an amount of Available Revenues equal to the Basic Rent Payment coming due on the next Basic Rent Payment Date. However, no deposits of Available Revenues need be made by the City with the Trustee prior to the next Basic Rent Payment Date when the moneys held in the Interest Account in the Lease Payment Fund are equal to the Interest Component of the Basic Rent Payment coming due on the next Basic Rent Payment Date on which the Interest Component becomes due, and the moneys held in the Principal Account in

the Lease Payment Fund are equal to the Principal Component of the Basic Rent Payment coming due on the next Basic Rent Payment Date on which the Principal Component becomes due.

Capitalized Interest

Pursuant to the Trust Agreement, the Trustee is directed to establish the Capitalized Interest Account in the Project Fund under the Trust Agreement. Funds in the Capitalized Interest Account shall be transferred to the Interest Account in the Lease Payment Fund on each Interest Payment Date in an amount necessary to pay the interest accruing on the Series 2015 Certificates on such Interest Payment Dates through on or about July 1, 2016. Such transfer shall be made on the Business Day prior to each Payment Date for the Series 2015 Certificates until the Capitalized Interest Account is closed.

[No] Reserve Account

(a) (i) [Alternative #1: The Reserve Account shall be initially funded by the deposit of moneys from the proceeds of the sale of the Series 2015 Certificates [a Reserve Account Surety Bond], in a total amount which equals the Reserve Requirement as it exists on the date of issuance of the Series 2015 Certificates. $_____.]

[Alternative #2: The Reserve Account does not secure the Series 2015 Certificates. If a series of Completion Certificates or Refunding Certificates hereafter issued is intended to be secured by the Reserve Account, as evidenced by the Supplemental Trust Agreement relating to such series of Certificates, the applicable Supplement Trust Agreement will set forth the applicable Reserve Account Requirement for such series of Certificates and provisions relating to the application of funds in the Reserve Account.]

[The following provisions will be included if Alternative #1 is used]

[(ii) If a series of Completion Certificates or Refunding Certificates hereafter issued is intended to be secured by the Reserve Account, the Reserve Account shall be fully funded on the date of issuance thereof in an amount equal to the Reserve Requirement therefor and for any other Certificates Outstanding and secured by the Reserve Account in accordance herewith and the related Lease Schedule.

(iii) Separate subaccounts in the Reserve Account shall be established in the Reserve Account to distinguish Taxable Certificates from Certificates hereafter issued as Certificates the interest on which is intended to be excluded from gross income for Federal income tax purposes (referred to in section as "Tax-Exempt Certificates"). Such subaccounts shall be subject to the provisions of Section 6.07 of the Trust Agreement unless otherwise provided in the Supplemental Trust Agreement relating to the series of Certificates secured thereby. Unless otherwise provided in the Supplemental Trust Agreement relating to a series of Completion Certificates or Refunding Certificates, amounts in a subaccount in the Reserve Account securing Tax-Exempt Certificates shall not be used to make payments of the Interest Component or Principal Component of Basic Rent Payments allocable to Taxable Certificates, unless the City obtains an opinion of Special Counsel permitting such monies to be applied for that purpose.

(b) If on any Payment Date, after exhausting the amounts in the Capitalized Interest Account relating to Certificates secured by the Reserve Account, the amounts in the Interest Account or the Principal Account are less than the interest, principal and Amortization Installments then due in relation to the Certificates secured by the Reserve Account, the Trustee shall transfer, from the Reserve Account (or subaccounts therein), to the Interest Account or Principal Account, an amount sufficient to make up any deficiency therein, subject to the provisions of Section (a)(iii) above. In the event of any such transfer, except subsequent to an Event of Non-Appropriation, the Trustee, shall, within five (5) days after making such transfer, provide written notice to the City of the amount and date of such transfer and the City shall, within twelve (12) months of receipt of such written notice, pay to the Trustee from Available Revenues budgeted and appropriated as Supplemental Rent, for deposit into the Reserve Account (or subaccounts therein), an amount necessary to cause the moneys in the Reserve Account (or subaccounts therein) to be equal to the Reserve Requirement applicable thereto.

(c) The Trustee is hereby authorized to accept [the initial Reserve Account Surety Bond and] at any time any [subsequent] Reserve Account Surety Bond in satisfaction of the Reserve Requirement for the Reserve Account pursuant to Section 4.03(g) of the Lease Agreement. The Insurer providing the Reserve Account Surety Bond shall be rated in one of the two highest categories by one of two nationally recognized rating agencies, or any combination thereof, at the time of deposit of the Reserve Account Surety Bond it issues. To the extent necessary to comply with this Section, the Trustee is hereby directed to take any and all actions required to draw on initial Reserve Account Surety Bond and any subsequent Reserve Account Surety Bond deposited in the Reserve Account. If a disbursement is made from a Reserve Account Surety Bond, the City shall cause the maximum limits of such Reserve Account Surety Bond to be reinstated as soon as it is able following such disbursement, from Available Revenues budgeted and appropriated as Supplemental Rent, and prior to funding any cash requirement of the Reserve Account, by depositing funds in the amount of the disbursement made under such instrument with the issuer thereof, together with interest thereon to the date of reimbursement at the rate set forth in such Reserve Account Surety Bond, but in no case greater than the maximum rate of interest permitted by law.

(d) Moneys in the Reserve Account shall only be used for the purpose of making up deficiencies in the Interest Account or Principal Account (or subaccounts therein) in the event that moneys therein are less than the Interest Component and Principal Component of Basic Rent Payments then due on any Payment Date with respect to the Certificates secured by the Reserve Account (or subaccounts therein), subject to the provisions of (a)(iii) above.

(e) If on any Payment Date, the amount of all payments due and payable on the Certificates secured by the Reserve Account (or a subaccounts therein) exceeds the amount on hand in the Interest Account and the Principal Account (or subaccounts therein) relating to the Certificates secured by the Reserve Account, taking into account any transfers made from the Reserve Account (or subaccounts therein) pursuant to Sections 6.07(a) and 6.07(b) of the Trust Agreement, the Trustee shall apply the moneys on hand therein first, to the payment of all past due interest with respect to such Certificates secured by the Reserve Account or subaccounts therein, and, second, to the payment of that portion of the unpaid principal or Amortization Installment of such Certificates which is then past due, pro rata if necessary, in all cases subject to the provisions of (a)(iii) above.

(f) Whenever the moneys in the Lease Payment Fund, including the Reserve Account, shall be sufficient to pay the principal of, Amortization Installments and interest coming due on all Outstanding Certificates, moneys in the Reserve Account shall be deposited to the Interest Account and Principal Account as required to pay such Certificates, subject to the provisions of (a)(iii) above, and no further Basic Rent Payments shall be required under the Lease Agreement.

(g) If, after the date Certificates are prepaid pursuant to the provisions of Article V and Section 6.09 of the Trust Agreement, the amounts in the Reserve Account exceed the Reserve Requirement applicable thereto then in effect, adjusted to reflect such prepayment, or the Reserve Requirement is decreased for any other reason, the Trustee shall deposit such excess to the Interest Account, subject to the provisions of (a)(iii) above. In the event that the Trustee receives written notice from the Corporation or the Rebate Analyst stating that the amount of interest and other income earned from the investment of moneys in the Reserve Account ("Reserve Account Income") exceeds the yield (as defined in Section 148(h) of the Code) on the Tax-Exempt Certificates and stating the amount of such excess yield, then (1) such Reserve Account Income constituting such excess yield shall be transferred and deposited into the Earnings Fund as set forth in Section 6.08 of the Trust Agreement, and (2) except as provided in the foregoing (1), which shall not apply when only Taxable Certificates are Outstanding, all Reserve Account Income shall transferred to the Interest Account subject to the provisions of (a)(iii) above.]

[Initial Reserve Account Surety Bond

Concurrently with the issuance of the Series 2015 Certificates, the Series 2015 Insurer will issue a Reserve Account Surety Bond in a face amount equal to the Reserve Requirement. To evidence its obligation to reimburse the Series 2015 Insurer for amounts drawn on the Reserve Account Surety Bond the City and the Series 2015 Insurer will enter into a Financial Guaranty Agreement. The premium on the Reserve Account Surety Bond is to be fully paid at or prior to the issuance and delivery of the Series 2015 Certificates. The Reserve Account Surety Bond provides that upon the receipt by the Series 2015 Insurer of a claim for payment executed by the Trustee certifying that provision for the payment of principal or interest on the Series 2015 Certificates when due has not been made the Series 2015 Insurer will promptly deposit funds with the Trustee sufficient to enable the Trustee to make such payments due on the Series 2015 Certificates, but in no event exceeding the Policy Limit (as defined in the Reserve Account Surety Bond) (which is an amount equal to the Reserve Requirement as it exists on the date of issuance of the Series 2015 Certificates).

Pursuant to the terms of the Reserve Account Surety Bond, the amount of the Reserve Account Surety Bond is automatically reduced to the extent of each payment made by the Series 2015 Insurer under the terms of the Reserve Account Surety Bond and the City is required to reimburse the Series 2015 Insurer for any draws under the Reserve Account Surety Bond with interest. Upon such reimbursement, the Reserve Account Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Policy Limit. Also, see "CERTIFICATE INSURANCE" herein for a description of the Series 2015 Insurer.]

Assignment Agreement

Pursuant to the Assignment Agreement, the Corporation will absolutely and irrevocably assign to the Trustee, for the benefit of the Owners of the Series 2015 Certificates, all of its right, title and interest in the Ground Lease Agreement, including, without limitation, the right to receive Lease Payments, any prepayments thereof and any other amounts required to be paid by the City under the Lease Agreement, but excluding certain retained indemnification rights and the rights to enter into certain amendments to the Lease Schedule and its obligations under Section 6.03 of the Lease Agreement.

Completion Certificates and Refunding Certificates

Completion Certificates may be issued as provided in Section 4.12 of the Trust Agreement for the purposes of (a) completing the Project, (b) funding the Reserve Account in an amount equal to the Reserve Requirement, if any, as same exists at the time of issuance of the Completion Certificates, as specified in the related amended Lease Schedule, (c) funding capitalized interest on the Completion Certificates, and (d) paying the Costs of Issuance of the Completion Certificates. Refunding Certificates may be issued as provided in Section 4.13 of the Trust Agreement for the purposes of (a) refinancing the Costs of the Project, (b) funding the Reserve Account in an amount equal to the Reserve Requirement, if any, as same exists at the time of issuance of the Refunding Certificates, as specified in the related amended Lease Schedule, and (c) paying the Costs of Issuance of the Refunding Certificates. Such Completion Certificates and/or Refunding Certificates may be issued only upon compliance with the requirements of the Trust Agreement, including delivery of certain certificates of officials and opinions of legal counsel. The aggregate principal amount of Completion Certificates and Refunding Certificates that can be issued under the Trust Agreement is not limited. Each series of Completion Certificates and Refunding Certificates will rank on a parity with the Outstanding Series 2015 Certificates and be equally and ratably secured under the Trust Agreement with all Certificates issued and Outstanding thereunder. See the form of the Trust Agreement included in Appendix C hereto for additional information regarding Completion Certificates and Refunding Certificates.

[Pursuant to the Trust Agreement, the written consent of the Series 2015 Insurer is required prior to the issuance of Completion Certificates or Refunding Certificates (other than Refunding Certificates issued for debt service savings).]

[Series 2015 Insurer's Rights

While the Series 2015 Insurer is not in default under the Municipal Bond Insurance Policy securing the Series 2015 Certificates (the "Series 2015 Municipal Bond Insurance Policy"), the Series 2015 Insurer shall be deemed the Holder of the Series 2015 Certificates Outstanding for all matters in the Trust Agreement requiring the consent of the Holders of the Series 2015 Certificates.

The information regarding the Series 2015 Insurer under the caption "CERTIFICATE INSURANCE" has furnished by the Series 2015 Insurer for use in this Offering Statement. Reference is made to Appendix F herein for a specimen of the Series 2015 Municipal Bond Insurance Policy. NO REPRESENTATION IS MADE BY THE CITY OR THE

CORPORATION AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION OR THAT THERE HAS NOT BEEN ANY MATERIAL ADVERSE CHANGE IN SUCH INFORMATION SUBSEQUENT TO THE DATE OF SUCH INFORMATION. NEITHER THE CITY NOR THE CORPORATION HAS MADE ANY INVESTIGATION INTO THE FINANCIAL CONDITION OF THE SERIES 2015 INSURER, AND NO REPRESENTATION IS MADE AS TO THE ABILITY OF THE SERIES 2015 INSURER TO MEET ITS OBLIGATIONS UNDER THE MUNICIPAL BOND INSURANCE POLICY. See "RISK FACTORS—Series 2015 Insurer."]

[CERTIFICATE INSURANCE]

[To Follow]

SUMMARY OF LEASE-PURCHASE PLAN

General

Reference is made to "SECURITY FOR THE SERIES 2015 CERTIFICATES--General" for a description of the portions of the Project that are subject to surrender and the limitations on the exercise of remedies in connection therewith. This section only summarizes the lease-purchase plan with respect to the Series 2015 Certificates. Reference is made to "APPENDIX C—Forms of Ground Lease, Lease Agreement and Trust Agreement," which should be read in its entirety, for a definitive description of the lease-purchase plan. See also "RISK FACTORS" and "SUITABILITY FOR INVESTMENT."

Ground Lease

The City owns the Land on which the Project will be located. Pursuant to the Ground Lease, the City will lease the Land to the Corporation, subject to Permitted Encumbrances (as defined in the Ground Lease). The initial lease term of the Ground Lease for the Land shall commence on the date of the delivery of the Ground Lease (the "Commencement Date") and shall end on the final maturity date of the Series 2015 Certificates (the "Initial Ground Lease Term"). If there shall have occurred an Event of Default or Event of Non-Appropriation under the Lease Agreement and any Series 2015 Certificates remain Outstanding at the end of the Initial Ground Lease Term, then the term of the Ground Lease shall be automatically renewed for an additional term of ten (10) years, at a fair market rental to be determined, adjusted and paid in the manner set forth in the Ground Lease and described below. The period during which this Ground Lease is maintained in effect is referred to as the "Ground Lease Term." Neither an Event of Default nor an Event of Non-Appropriation under the Lease Agreement shall operate to terminate the Ground Lease.

Notwithstanding the foregoing, the Ground Lease Term may be terminated by the City on any date prior to the end of the Initial Ground Lease Term or any renewal thereof, upon not less than ten (10) days prior written notice to the Corporation, (a) upon prepayment of the Certificates pursuant to Section 4.06 of the Lease Agreement and full performance and satisfaction of the City's obligations under the Lease Agreement and no Certificates are outstanding, or (b) upon

the provision for payment of all Lease Payments under the Lease Agreement pursuant to Section 4.06 of the Lease Agreement and no Certificates are Outstanding, together in each case with payment of the sum of One Dollar ($1.00) or (c) upon such other date following termination of the Lease Agreement as a result of Event of Default or Event of Non-Appropriation that the Trustee has, through application of sums received from the use of the Parking Garage Land and the Parking Garage as permitted in Section 5 of the Ground Lease, fully paid all Certificates theretofore Outstanding and all other amounts due and owing under the Lease Agreement.

So long as no Event of Default or Event of Non-Appropriation shall have occurred under the Lease Agreement, the Corporation shall pay to the City as rental for the Land the sum of One Dollar ($1.00) per annum, which sum shall be due in advance on the Commencement Date (pro-rated) and annually thereafter on the first day of each renewal Lease Term (the "Ground Rent"). At the option of the Corporation, the Corporation may prepay all or a portion of the Ground Rent payable under the Ground Lease for the entire Initial Ground Lease Term from the proceeds of sale of the Series 2015 Certificates or otherwise.

From and after the date of occurrence of an Event of Default or Event of Non-Appropriation under the Lease Agreement, the Trustee shall pay as and for rental for the Land an amount equal to the fair market rental for the Parking Garage Land. The fair market rental shall be deemed to be the greater of one dollar ($1.00) per annum or the difference between (i) the amount actually received from any re-leasing of the Parking Garage Land for a given period and (ii) the amounts due and payable as Basic Rent Payments and Supplemental Rent for the Maximum Lease Term not theretofore paid by or for the account of the City. In the event the City disagrees with such valuation, it may submit the matter to binding arbitration, and the fair rental value shall be determined pursuant to such arbitration proceedings.

Upon the Commencement Date and throughout the Ground Lease Term, fee title to the Land shall be in the name of the City, subject to Permitted Encumbrances, title to all Equipment, furniture and fixtures on the Land shall at all times remain with the City and title to the Facilities constructed on the Land shall be with the Corporation and remain therein until the earlier of (i) the date on which the Series 2015 Certificates are no longer Outstanding under the Trust Agreement, and (ii) the end of the term of the Ground Lease.

The Corporation shall at all times during the Ground Lease Term have a valid and enforceable leasehold estate in the Project with full right to vest the use, enjoyment and possession of such leasehold estate therein in the Trustee and the Trustee shall have the right to vest such estate in the Parking Garage Land in a Permitted Transferee as provided in the Ground Lease.

In the Ground Lease, the parties agree that unless there shall have occurred an Event of Default or an Event of Non-Appropriation under the Lease, the Land shall be used solely for municipal purposes and shall not be used for a purpose that would subject the interest component of the Certificates (other than Taxable Certificates) to be included in gross income for Federal income tax purposes; provided, however, during the Ground Lease Term, the Parking Garage Land and the Parking Garage must always be used in a manner that provides a benefit to the public at large and the portion of the Land developed as Roadways (together with related utility and drainage lines, [signalization] and landscaping) and parking spaces must always be used as public roads and public parking spaces, as applicable. Unless there shall have occurred an Event

of Default or Event of Non-Appropriation under the Lease, no assignment of the Ground Lease or mortgage or subletting of the Parking Garage Land may be made except as provided in the Assignment Agreement, the Lease, the Trust Agreement, in any agreement with an Insurer, if any, and in the Ground Lease. The Land on which the portion of the Project consisting of the Roadways, together with related utility lines and drainage improvements, [signalization] and landscaping and parking spaces on the Roadways, is located is not subject to surrender upon an Event of Non-Appropriation of an Event of Default under the Lease.

In the event that there shall have occurred an Event of Default or Event of Non-Appropriation under the Lease, then the Corporation's interest in the Parking Garage Land subject to the Ground Lease may, without consent of the City, be assigned, mortgaged or sublet by the Trustee to any third party, including any Insurer (a "Permitted Transferee"), who may alter, modify, add to or delete from the Parking Garage existing from time to time on the Parking Garage Land, subject to the requirements of the first sentence of the paragraph above; provided, however, the fee title to the Parking Garage Land shall not be encumbered by, or subject to, any leasehold mortgage of the Corporation's interest in the Ground Lease, and any assignment or sublease shall not relieve the Corporation of any of its duties or obligations under the Ground Lease without the City's prior written consent. After the termination of the Lease Term of the Lease, unless the Ground Lease Term shall have terminated, if the Trustee proposes to assign, sublet or mortgage any portion of the Corporation's interest in the Parking Garage Land subject to the Ground Lease, the Trustee shall provide written notice to the City containing the names and addresses of the assignee(s), sublessee(s) or mortgagee(s); provided, however, that failure to provide such notice shall not affect the validity or effectiveness of an assignment, sublease or leasehold mortgage to a Permitted Transferee.

Possession and use of the Land, together with all improvements thereon, shall, upon the last day of the Ground Lease Term automatically revert to the City free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of the Ground Lease Term, the Corporation shall peaceably and quietly surrender to the City the Land together with any improvements located in or upon the Land. Upon such surrender of the Land, the Corporation, at the reasonable request of the City, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the City all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Land in the possession of the Corporation.

The form of the Ground Lease is included herein as Appendix C and reference is made thereto for a complete description of the terms and conditions thereof.

Lease Agreement

Lease Term

Subject to an Event of Default or an Event of Non-Appropriation or the earlier prepayment of Lease Payments, as described below, the Lease Agreement will be extended for successive one-year periods. The period commencing on the Commencement Date and ending on the final maturity date of the Series 2015 Certificates is referred to herein as the "Maximum Lease Term."

Lease Payments

During the Initial Lease Term and each Renewal Lease Term, the City is obligated to make specified rental payments (the "Basic Rent Payments") from monies appropriated by the City for Lease Payments. Basic Rent Payments are due on or before the fifteenth day of each January and July (the "Basic Rent Payment Dates") and shall be payable in arrears. A portion of certain Basic Rent Payments is designated as principal (the "Principal Component") and a portion of each Basic Rent Payment is designated as interest (the "Interest Component").

In addition to the Basic Rent, the City agrees to pay, as provided in the Lease Agreement, Supplemental Rent. The term "Supplemental Rent" includes, but is not limited to, any Prepayment Premium attributable to the Series 2015 Certificates, all payments required by the Trust Agreement and the Lease Agreement to be payable for Extraordinary Prepayment not covered by insurance or condemnation proceeds, payment of taxes, assessments or other governmental charges, the fees and expenses (including counsel fees) incurred by the Trustee pursuant to the Trust Agreement, and all fees and expenses of the Corporation relating to the lease of the Project or to its corporate existence (including legal fees). Supplemental Rent is payable by the City only from Available Revenues. Basic Rent, Supplemental Rent and all other amounts owing under the Lease Agreement which are payable by the City (excluding Refunding Rent) are collectively referred to herein as "Lease Payments."

Non-Appropriation and Remedies

The City does not expect its need for the Project under the Lease Agreement to diminish during the Maximum Lease Term. See "THE PROJECT." However, the Certificate Payments and the payments due from the City under the Lease Agreement do not constitute a general obligation or a pledge of the faith and credit of the Corporation, the City, the State of Florida, or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation. The City is not obligated to appropriate funds for Lease Payments. If appropriated, Lease Payments will be a current obligation of the City.

If, for any Fiscal Year, the City enacts an annual Budget in accordance with the Act which does not provide sufficient funds (after taking into account any amounts credited or available for credit pursuant to the Lease Agreement) to continue making Lease Payments in full for the next succeeding Renewal Lease Term beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments have been budgeted and appropriated, such action shall constitute an Event of Non-Appropriation and the Lease Agreement shall terminate as of the last day of the then-current Initial Lease Term or Renewal Lease Term. However, in the event the budget for such ensuing Renewal Lease Term is not enacted prior to expiration of the then-current Initial Lease Term or Renewal Lease Term, the Lease Term relating thereto shall be deemed renewed and the occurrence of the Event of Non-Appropriation shall be deemed suspended pending the enactment of such Budget. In addition, the City shall be liable for any Lease Payments coming due during such period from Available Revenues, to the extent the prior Budget makes such Available Revenues available to the City for that purpose.

For each day that the City remains in possession of the Project beyond the date of expiration of the current Initial Lease Term or Renewal Lease Term, the City shall pay damages

under the Lease Agreement in an amount equal to the Lease Payments which would have accrued under the Lease Agreement, calculated on a daily basis, for any such period during which the City fails to vacate or surrender the Project; provided that such payments shall be payable solely from Available Revenues. Upon the occurrence of an Event of Non-Appropriation, the City will not be obligated to pay Lease Payments accruing or arising beyond the then-current Fiscal Year, but will not be relieved of any obligations arising or accruing prior to such Event of Non-Appropriation, provided that such payment shall be payable solely from Available Revenues. If an Event of Non-Appropriation shall occur, the City must peaceably vacate and return possession of the Parking Garage Land and the Parking Garage to the Corporation, or its assignee or designee, no later than the end of the then-current Lease Term. **THE GROUND LEASE AND THE LEASE REQUIRE THAT THE PARKING GARAGE BE USED THROUGHOUT THE GROUND LEASE TERM AS A PUBLIC PARKING GARAGE FOR THE BENEFIT OF THE PUBLIC AT LARGE.**

Prepayment

The City has the right under the Lease Agreement under certain conditions to prepay all or a portion of its Basic Rent Payments. Any such prepayment of Basic Rent Payments will result in a corresponding prepayment of the Series 2015 Certificates. See "DESCRIPTION OF THE SERIES 2015 CERTIFICATES—Prepayment-Optional Prepayment" herein.

The City may secure the payment of Basic Rent by a deposit with the Trustee, as provided in the defeasance provisions of the Trust Agreement, of either (i) an amount of moneys which is sufficient to pay such Basic Rent, including the Principal Component, Interest Component and Prepayment Premium, if any, on the Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due, or (ii) Refunding Securities, together with cash, if required, in such amount as will, together with interest to accrue thereon, be fully sufficient to pay such Basic Rent, including the Principal Component, Interest Component and Prepayment Premium, if any, on their Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due. See the forms of Lease Agreement and Trust Agreement included as part of Appendix C.

The City shall be obligated to prepay certain Basic Rent Payments in certain cases from Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election when the City has elected not to repair, restore or replace the Project or any portion of the Project which has been destroyed, damaged, lost or condemned. See "DESCRIPTION OF SERIES 2015 CERTIFICATES—Prepayment - Extraordinary Mandatory Prepayment" herein.

Events of Default

Each of the following events constitutes an "Event of Default" under the Lease Agreement:

(a) Failure by the City to pay any Basic Rent Payment required to be paid under the Lease Agreement on the Basic Rent Payment Date to which such Basic Rent Payment pertains, other than as a result of an Event of Non-Appropriation; or

(b) Failure by the City to pay any Supplemental Rent required to be paid under the Lease Agreement at the time specified therein other than as a result of an Event of Non-Appropriation; or

(c) The City fails to vacate and return possession of the Parking Garage Land and the Parking Garage to the Corporation, or its designee or assignee, subsequent to an Event of Non-Appropriation as required by the Lease Agreement; or

(d) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in (a), (b) or (c) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation, or its assignee, unless the Corporation, or its assignee, has agreed in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, or its assignee, will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(e) Any representation of the City in the Lease Agreement or in a Lease Schedule shall prove to have been false in any materially adverse respect at the time it was made, subject to the right of the City to cure such misrepresentation as set forth in (d) above.

Upon the happening of an Event of Default, the Corporation, or its assignee, may exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement, including, without limitation:

(i) Except in the case of an Event of Default under (c) above, without terminating the Lease Agreement, re-enter and take possession of the Parking Garage Land and the Parking Garage, or any portion thereof, and exclude the City from using the same until the Default is cured; or

(ii) Except in the case of an Event of Default under (c) above, without terminating the Lease Agreement, re-enter and take possession of the Parking Garage Land and the Parking Garage, or any portion thereof, and sublease the Parking Garage Land and the Parking Garage, or any portion thereof, in accordance with applicable law and the requirement that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large for the remaining term of the Ground Lease, for the account of the City, holding the City liable for the difference between (1) the rent and other amounts paid by the sublessee pursuant to such sublease, and (2) the Lease Payments and other amounts then payable by the City under and pursuant to the Lease Agreement; provided, however, that prior to termination of this Lease Agreement, the Project, or any portion thereof, may be relet or otherwise disposed of only to such Person or Persons as shall not adversely affect the exclusion of the Interest Component of the Basic Rent Payments from gross income for federal income tax purposes (to the extent Certificates the Interest Component of which is intended to be so excluded are then Outstanding); or

(iii) Except in the case of an Event of Default under (c) above, to take whatever action at law or in equity as may appear necessary or desirable to collect the Lease Payments then due and thereafter to become due during the term of the Lease Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under the Lease Agreement; or

(iv) Terminate the Lease Agreement, if it has not been previously terminated pursuant to the terms thereof, and require the City to vacate, surrender and transfer possession of the Parking Garage Land and the Parking Garage to the Corporation or its assignee, in which event the City shall take all actions necessary to authorize, execute and deliver to the Corporation or its assignee all documents necessary to vest in the Corporation or its assignee all of the City's interest in and to the Parking Garage Land (other than its title thereto) and the Parking Garage, and to discharge any lien created by or pursuant to the Lease Agreement in order that the Corporation or its assignee may release the Parking Garage Land and the Parking Garage in accordance with applicable law and the requirement that the Parking Garage Land and the Parking Garage be used as a public parking garage for the benefit of the public at large for the remaining term of the Ground Lease; and shall upon request by the Corporation or its assignee, transfer any Equipment financed by a Series of Certificates to such location within the State as is specified by the Corporation or its assignee.

In each case, the City shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued under the Lease Agreement, calculated on a daily basis, for any period during which the City fails to vacate and surrender the Parking Garage Land and the Parking Garage or for any other loss suffered by the Corporation or its assignee as a result of the City's failure to vacate and surrender the Parking Garage Land and the Parking Garage, all without prejudice to any remedy which might otherwise be available to the Corporation or its assignee for arrears of Lease Payments or for any breach of the City's covenants contained in the Lease Agreement, payable only from Available Revenues appropriated therefore.

THE PORTION OF THE PROJECT CONSISTING OF THE ROADWAYS, TOGETHER WITH RELATED UTILITY LINES AND DRAINAGE IMPROVEMENTS, [SIGNALIZATION] AND LANDSCAPING AND PARKING SPACES ON THE ROADWAYS, IS NOT SUBJECT TO SURRENDER OR THE EXERCISE OF REMEDIES BY THE TRUSTEE.

Proceeds of Re-Letting

Moneys received by the Corporation, or its assignee, from the re-letting or other disposition of the Parking Garage Land and the Parking Garage, or any portion thereof, as a result of an Event of Non-Appropriation or an Event of Default shall be the absolute property of the Corporation, or its assignee, and the City shall have no right thereto. In the event that moneys received by the Corporation or its assignee from the re-letting or other disposition of the Parking Garage Land and the Parking Garage exceed the amount necessary to pay the principal of and interest due on the Series 2015 Certificates to the date of payment thereof, together with

all other amounts owing under the Trust Agreement and in regard to the Project, including Trustee fees and expenses, then the Corporation or its assignee shall pay such surplus to the City.

The foregoing does not attempt to completely summarize the provisions of the Lease Agreement. For the complete text of the form of the Lease Agreement, see "Appendix C—Forms of the Ground Lease, Lease Agreement and Trust Agreement."

Trust Agreement

Trust Estate Under the Trust Agreement

The Trust Agreement establishes the Trust Estate, which consists of all right, title and interest of the Trustee, as assignee of the Corporation under the Assignment Agreement and under the Lease Agreement for the benefit of the Owners of the Series 2015 Certificates (and Completion Certificates and Refunding Certificates, to the extent applicable), in and to the following:

(a) All right, title and interest in the funds and accounts established under the Trust Agreement (other than the Rebate Fund, the Costs of Issuance Account and the Supplemental Rent Fund) and the cash, securities and investments of which they are comprised.

(b) All rights and interest of the Corporation in, to and under the Ground Lease.

(c) All right, title and interest of the Corporation in, to and under the Lease Agreement and the right to receive the Lease Payments under the Lease Agreement but excluding any rights of indemnification set forth therein, its right to enter into amendments to the Lease Schedule from time to time and its obligation to comply with certain tax covenants in the Lease Agreement.

(d) All right, title and interest of the Trustee under the Assignment Agreement.

(e) Any moneys received by the Trustee which are derived from the exercise by the Trustee, as assignee of the Corporation, of any of the remedies under the Trust Agreement, the Ground Lease and the Lease Agreement.

(f) All property which by the express provisions of the Trust Agreement or the Lease Agreement is required to be subject to the lien of the Trust Agreement, and any additional property that may from time to time expressly be made subject to the lien of the Trust Agreement by the Trustee, the Corporation or the City or anyone authorized to act on their behalf.

Funds and Accounts

The Trust Agreement provides for the establishment of the following funds and accounts:

(a) Project Fund (which includes the Project Account, the Costs of Issuance Account and the Capitalized Interest Account);

(b) Lease Payment Fund (which includes the Principal Account, the Interest Account and the Reserve Account);

(c) Prepayment Fund;

(d) Rebate Fund;

(e) Earnings Fund; and

(f) Supplemental Rent Fund.

Moneys on deposit in the Costs of Issuance Account in the Project Fund will be funded from proceeds of the sale of the Series 2015 Certificates and paid in accordance with the written instructions of the Corporation and consented to by the City. Moneys on deposit in the Principal Account and the Interest Account in the Lease Payment Fund will be funded from payment of and deposits with respect to Basic Rent and from certain other sources (including capitalized interest, excess Net Proceeds of insurance or condemnation and certain excess construction costs) and disbursed on each Payment Date to pay the Certificate Payments on the Certificates when due and payable under the Trust Agreement. To the extent amounts in the Principal Account and the Interest Account in the Lease Payment Fund are insufficient therefor, the Trustee shall transfer thereto the amount of the deficiency from the Reserve Account of the Lease Payment Fund (to the extent of the funds therein). The Trust Agreement permits accounts and subaccounts to be established in the funds and accounts established thereunder.

Application of Earnings

Investment earnings on the funds and accounts held under the Trust Agreement with respect to the Series 2015 Certificates shall be retained in such fund or account.

Defeasance and Satisfaction and Discharge

The Trust Estate and the rights granted by the Trust Agreement shall cease, terminate and be void and the Trustee shall cancel and discharge the lien of the Trust Agreement if the principal, Prepayment Premium, if any, and interest due or to become due on the Certificates shall be paid at the times and in the manner stipulated in such Certificates and if all other sums of money due or to become due according to the provisions of the Trust Agreement shall be paid or provision for payment shall be made.

Any Certificates will be deemed to be paid and no longer Outstanding when payment of the principal of and Prepayment Premium, if any, on such Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon prepayment as provided in the Trust Agreement, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms of the Certificates, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (A) moneys sufficient to make such payment and/or (B) Refunding Securities verified

by an independent certified public accountant selected by the Corporation as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees and expenses of the Trustee pertaining to the Certificates with respect to which such deposit is made.

Events of Default

Each of the following events constitutes an "Event of Default" under the Trust Agreement:

(a) Payment of any installment of interest on any Certificate shall not be made when the same shall become due and payable; or

(b) Payment of the principal, Amortization Installment or the Prepayment Premium, if any, of any Certificate shall not be made when the same shall become due and payable, whether at maturity or by proceedings for mandatory prepayment or otherwise; or

(c) Default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Trust Agreement or any Supplemental Trust Agreement and such default shall have continued for thirty (30) days after receipt by the City and the Corporation of a written notice from the Trustee specifying such default and requiring the same to be remedied unless the Trustee has agreed in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City or the Corporation, or its assignee, within the applicable period and diligently pursued until the default is corrected; or

(d) An "Event of Default" shall have occurred under the Lease Agreement, and it shall not have been remedied or waived.

Acceleration of Maturities

Upon the happening and continuance of any Event of Default, or an Event of Non-Appropriation under the Lease Agreement, the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding, by notice in writing to the City and the Corporation, shall declare the principal of all Certificates then Outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Certificates or in the Trust Agreement to the contrary notwithstanding. If at any time after the principal of the Certificates shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Trust Agreement, certain actions have been taken to remedy such default to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates not then due and payable by their terms (Certificates then due and payable only

because of a declaration of acceleration under the Trust Agreement shall not be deemed to be due and payable by their terms) and then Outstanding, shall, by written notice to the City and the Corporation, rescind and annul such declaration and its consequences. [The prior written consent of the Series 2015 Insurer is required to accelerate the principal of the Series 2015 Certificates.]

Enforcement of Remedies

Upon the happening and continuance of any Event of Default, or an Event of Non-Appropriation under the Lease Agreement, then the Trustee may proceed, and upon the written request of the Owners of not less than a majority in aggregate principal amount of Certificates then Outstanding, shall proceed, subject to the Trustee being indemnified, to protect and enforce its rights and the rights of the Owners under laws of the State of Florida, under the Trust Agreement, the Ground Lease or the Lease Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Trust Agreement or in aid of execution of any power granted in the Trust Agreement or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee, shall deem most effectual to protect and enforce such rights. The Trustee may also exercise all remedies it or the Corporation may have under law and under the Trust Agreement, the Ground Lease, and the Lease Agreement.

In the enforcement of any remedy under the Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default under the Trust Agreement becoming and remaining due from the City for principal, interest or otherwise under any of the provisions of the Trust Agreement or of the Certificates, together interest on overdue payments of principal at the rate of interest equal to the then-current weighted average interest rate of the Outstanding Certificates and all reasonable costs and expenses of collection and of all proceedings under the Trust Agreement, without prejudice to any other right or remedy of the Trustee or of the Owners and to recover and enforce any judgment or decree against the City, but solely as provided under the Trust Agreement, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

As provided in the Trust Agreement and subject to the limitations thereof, the Trustee, upon an Event of Default or an Event of Non-Appropriation under the Lease Agreement, may take possession of the Parking Garage Land and the Parking Garage, and it shall, if the City relinquishes possession of the Parking Garage Land and the Parking Garage pursuant to the Lease Agreement subsequent to such Event of Default, take possession of the Parking Garage Land and the Parking Garage, in accordance with the provisions of the Trust Agreement. Upon taking possession of the Parking Garage Land and the Parking Garage, the Trustee is authorized to re-let or otherwise dispose of the Corporation's interest in the Parking Garage Land and the Parking Garage, or any portion thereof, for the benefit of the Owners of the Certificates; provided that the Parking Garage Land and the Parking Garage must continue to be used as a public parking garage for the benefit of the public at large and the City must retain title to the Parking Garage Land. See "SECURITY FOR THE SERIES 2015 CERTIFICATES—General,"

"SUMMARY OF LEASE-PURCHASE PLAN—'Ground Lease' and 'Lease Agreement,'" "RISK FACTORS" and "SUITABILITY FOR INVESTMENT" herein.

Application of Funds

If at any time the money in the Lease Payment Fund shall not be sufficient to pay the interest on or the principal of the Certificates as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of the Trust Agreement), the Trustee, subsequent to payment of all reasonable costs and expenses relating to collection of such moneys and reasonable fees and expenses of the Trustee including reasonable legal fees, shall deposit all moneys derived from the re-letting or other disposition of the Parking Garage Land and the Parking Garage, including moneys and damages collected in connection therewith, and all moneys in the Pledged Funds (amounts in the Project Account may, at the discretion of the Trustee, be retained in such account to continue payment of the acquisition and construction of the Project) into a special account established for the sole benefit of the Owners of the Certificates and shall apply moneys in such special account as follows:

First: to the payment to the Persons entitled thereto of all installments of interest on such Certificates then due and payable in the order in which such installments became due and payable 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 except as to any difference in the respective rates of interest specified in such Certificates;

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Certificates that shall have become due and payable whether at maturity or upon acceleration, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Certificates due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference;

Third: to the payment of the interest on and the principal of such Certificates, to the purchase and retirement of such Certificates, and to the prepayment of such Certificates, all in accordance with the provisions of the Trust Agreement; and

Fourth: to the payment of any surplus moneys to the City.

The foregoing does not attempt to completely summarize the provisions of the Trust Agreement. For the complete text of the form of the Trust Agreement, see "APPENDIX C—Forms of Ground Lease, Lease Agreement and Trust Agreement."

THE CORPORATION

The Corporation is a not-for-profit Florida corporation formed in 1988 for the purpose of facilitating the lease-purchase and financing of the municipal facilities such as the Project. The sole, non-voting member of the Corporation is the City. The members of the board of directors of

the Corporation, are, ex-officio, the members of the City Commission of the City. Currently, the Mayor of the City serves as President of the Corporation, the Vice-Mayor of the City serves as Vice-President of the Corporation, the Finance Director of the City serves as Treasurer of the Corporation and the City Clerk of the City serves as Secretary of the Corporation. Upon dissolution of the Corporation, all of its assets will be distributed to the City. There is no litigation currently pending or threatened against the Corporation.

SIMULTANEOUSLY WITH THE INITIAL EXECUTION, AUTHENTICATION AND DELIVERY OF THE SERIES 2015 CERTIFICATES, THE CORPORATION WILL MAKE AN ABSOLUTE ASSIGNMENT OF ITS RIGHT, TITLE AND INTEREST UNDER THE LEASE AGREEMENT TO THE TRUSTEE, WITH THE EXCEPTION OF CERTAIN RETAINED INDEMNIFICATION RIGHTS, THE RIGHTS TO ENTER INTO CERTAIN AMENDMENTS TO THE GROUND LEASE, LEASE SCHEDULE AND LEASE AGREEMENT FROM TIME TO TIME, AND OBLIGATIONS TO COMPLY WITH CERTAIN TAX COVENANTS UNDER THE LEASE AGREEMENT. THEREAFTER, THE TRUSTEE WILL COLLECT DIRECTLY ALL OF THE AMOUNTS WHICH ARE THE SOURCE OF AND SECURITY FOR PAYMENT OF THE SERIES 2015 CERTIFICATES. THEREFORE, THE CREDIT OF THE CORPORATION IS NOT MATERIAL TO ANY OF THE TRANSACTIONS CONTEMPLATED IN THIS OFFERING STATEMENT AND FINANCIAL INFORMATION CONCERNING THE CORPORATION HAS NOT BEEN INCLUDED HEREIN.

DESCRIPTION OF THE CITY

Background

The City is a municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter, adopted in 1957. The City was incorporated in 1947 and is located in northeastern portion of the County, north of the City of Fort Lauderdale, and includes approximately three miles of beachfront. The City covers approximately 25 square miles. In addition to general governmental services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. The City's Parking System, water and sewer, stormwater, sanitation, golf, pier and airpark operations are reported as enterprise funds.

The City is home to approximately 105,000 residents. During peak season (September through March) this number increases to nearly 150,000. The City is also home to over 30 million square feet of industrial/warehouse/distribution space. The City provides access to both the Florida Turnpike and Interstate 95 and is in close proximity to the Fort Lauderdale International Airport. The Pompano Beach Air Park is also home to the Goodyear Blimp. See Appendix A herein for additional information regarding the City.

City Government

The City operates under a Commission/City Manager form of government pursuant to which the Mayor and City Commission hire the City Manager. The City Commission is comprised of six members, each elected for a two-year term, with the exception of the Mayor, who is elected for a four-year term. One member of the City Commission is elected as Mayor by the electors of the City and chairs the City Commission. The City Commission is responsible for legislative duties and the City Manager is responsible for enacting the policies and actions approved by the Commission and overseeing the daily operations of the City.

Financial Statements and Annual Audit

State law requires that an annual audit of all City accounts and records be completed within the number of days following the end of each Fiscal Year specified by State law (currently nine months) by an independent certified public accountant retained by the City. The basic financial statements included in the excerpts from the City's Comprehensive Annual Financial Report for the Year Ended September 30, 2014 (the "CAFR"), audited by McGladrey LLP, independent certified public accountants, and included herein as part of Appendix E, are an integral part of this Offering Statement. The consent of McGladrey LLP, to the inclusion of the CAFR herein was not requested. In addition, McGladrey LLP, was not requested to perform and has not performed, since the date of their report included herein, any procedures on the financial statements addressed in that report. McGladrey LLP, also has not performed any procedures relating to this Offering Statement.

Description of Financial Practices and Financial Statements

The basic financial statements of the City are prepared in conformity with generally accepted governmental accounting principles. The City uses funds and accounts groups to report on its financial position and results of its operations. A summary of significant accounting policies of the City is contained in the notes to the City's basic financial statements, which are included in Appendix E hereto.

Investment Policy

In accordance with State law, the City has adopted an investment policy via resolution pursuant to applicable Florida law establishing investment guidelines for local governments in Florida. Oversight for the investment program lies with the City's Finance Director under the direction of the City Manager. The City also engages an external investment management firm to manage the majority of its investment portfolio in order to further safeguard its public funds and maximize yield. The City's investment program is established in accordance with the City's investment policy. See the Excerpts from the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014 included as Appendix E hereto for additional information regarding the City's financial policies and planning. The City believes that it is currently in compliance with its investment policy.

Cash Management

All monies received are deposited within twenty-four hours of receipt. Surplus funds are invested in accordance with the City's approved investment policy on either a short term or long term basis, based on the City's liquidity needs.

Fund Balance/Net Asset Policy

The City Commission has formally adopted a fund balance/net asset policy (the "Policy") for the City's General Fund and its Water and Sewer and Stormwater Funds. The objective of the Policy is to ensure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. More specifically, the Policy ensures that the City maintains adequate fund balance\net asset reserves to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns and revenue shortfalls, (3) maintain stable tax/fee rates (4) provide funds for unforeseen expenditures related to emergencies, (5) provide for renewal and replacement of long-lived assets and (6) secure and maintain investment grade bond ratings.

Debt Management Policy

The City Commission has formally adopted a debt management policy (the "Debt Policy") to assist in improving the quality of the City's decisions governing debt issuance. More specifically, the Debt Policy establishes parameters for issuing debt and managing a debt portfolio that encompass existing legal, economic, financial and capital market conditions, the City's capital improvement needs, and its ability to repay financial obligations as they become due. The policy:

- Assists the City in maintenance, acquisition and replacement of appropriate capital assets for present and future needs;
- Guides the City in policy and debt issuance decisions;
- Provides a framework within which each potential issuance can be evaluated;
- Assists in controlling the types and levels of outstanding obligations;
- Outlines a mechanism to ensure ongoing compliance requirements governing outstanding obligations;
- Ensures that the costs of debt issuance are borne equitably by each generation of taxpayers, rate payers, users, and other beneficiaries; and promotes sound financial management.

Strategic Planning

The City has adopted a long-term strategic plan that articulates a clear vision of its future that is integrated with an organizational philosophy to guide elected officials' and employees' actions and the efficient and effective use of resources. The plan is focused on the issues of greatest importance to the City Commission and its citizens. It will provide the framework that will enable the City to make prudent business decisions for its successful operation and the continuing development of the City as a highly desirable location for residents, businesses and

visitors. The plan includes benchmarks or milestones that measure the City's progress toward achieving its strategic goals and objectives

Existing Debt; Future Debt

The City currently has outstanding certain water and sewer bonds secured by a pledge of the revenues of the City's water and wastewater system. The City also has entered into certain subject to annual appropriation equipment leases and has served as a conduit issuer in connection with certain outstanding revenue bonds of the City, payable solely from payments received by the City from the conduit borrowers. The City's community redevelopment district, a dependent special district of the City (the "CRA"), has also issued and has outstanding certain community redevelopment bonds secured by revenues from the respective community redevelopment trust funds of the CRA. See "Excerpts from the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014" included as Appendix E for more information regarding the foregoing.

The City is in the process of developing plans to finance public stormwater improvements through the issuance of long-term bonds that will be secured by revenues of the City's stormwater utility. In addition, the City is currently contemplating a general obligation bond issue within the next twelve months, subject to requisite majority approval by the qualified electors of the City voting in a referendum as required by State law. The City does not currently plan to issue any other debt obligations within the next twelve months, although it is not precluded from issuing such debt obligations.

Pension Plans and Other Post-Employment Benefits

The City has two single employer defined benefit plans, namely the General employees Retirement System (the "GERS") and the Police and Firefighters Retirement System (the "PFRS").

The GERS was established by City Ordinance on September 25, 1972. In September 1991, the City contracted with Broward County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of Broward County. These employees were given the option of remaining in the GERS, in which case Broward County would make the required annual employer contributions as determined by the Plan actuary. In August 1999, the City also contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the Plan or switch to the BSO's retirement plan. The GERS is administered by a board of seven trustees comprised of three persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees.

The PFRS was established by City Ordinance on August 15, 1972 (effective October 1972), to account for the financial activity of the Pompano Beach Police and Firefighters' Retirement Plan (the "Plan"). The PFRS is a single-employer defined benefit pension plan, which is administered by a nine member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the Firefighter members, and

three members elected by/from the Police members. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the PFRS.

At September 30, 2014 the City recorded a net pension asset related to the General Employees Retirement Plan and a net pension asset related to the Police and Firefighters' Retirement Plan in its government-wide statement of net position. The net pension asset is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers contributions made to the plan.

Pursuant to Section 112.0801, Florida Statues, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage (medical & dental) is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City does not pay any out of pocket costs as it relates to its retirees post retirement costs for medical/dental coverage.

The City is financing other post employee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the City records a Net OPEB obligation in its proprietary and government-wide financial statements related to the implicit subsidy.

For a more detailed discussion and additional information regarding the City's pension plans and other post-employment benefits, see the notes to the City's basic financial statements included in Appendix E.

SOURCES OF AVAILABLE REVENUES

Selected Matters Relating to Available Revenues

General

The City collects a wide range of non-ad valorem revenues and ad-valorem taxes to fund its annual operations. A significant source of Available Revenues to be applied by the City to make Basic Rent Payments, if it should budget and appropriate the same for such purpose, will be non-ad valorem revenues of the City, to the extent legally available to make Basic Rent Payments.

Non-Ad Valorem Revenues

The sources of the City's non-ad valorem revenues currently include the primary sources more fully described below under "Specific Sources of Certain Non-Ad Valorem Revenues." The sources described below exclude revenues generated by the City's water and sewer system which are pledged to outstanding bonds of the City and revenues generated by the City's stormwater utility, which are expected to be pledged to future bond indebtedness of the City. Notwithstanding the foregoing, the ordinance authorizing the City's water and sewer bonds permits the City to use water and sewer system revenues for any lawful purpose of the City, after

all required monthly deposits for its water and sewer bonds are made, and accordingly, such surplus may become Available Revenues.

Due to State law restrictions, certain other non-ad valorem revenues are not legally available funds which can be used to make Basic Rent Payments (such as non-ad valorem funds derived from taxes on insurance premiums, one-cent municipal fuel tax collections, the issuance of building permits and taxes and assessments imposed for emergency medical services).

Adverse legislative changes or economic conditions could have a material adverse effect on the amount of non-ad valorem revenues generally collected or received by the City in any Fiscal Year. See "RISK FACTORS—Legislative Initiatives and Economic Conditions."

Ad Valorem Taxes

The laws of the State provide for a uniform procedure to be followed by all counties, municipalities and special districts for the levy and collection of ad valorem taxes on real and personal property. Pursuant to such laws, the Broward County property appraiser (the "Property Appraiser") prepares an annual assessment roll for all taxing units within Broward County (the "County") and levies such millage, subject to constitutional limitations, as determined by each taxing unit, and the Tax Collector collects the ad valorem property taxes for all taxing units within the County. Since the ad valorem property taxes of all taxing units within a County are billed together by the Tax Collector, each property owner is required to pay all such taxes without preference.

Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary, and governmental. In addition, there are special exemptions for widows, hospitals, homesteads, and homes for the aged and disabled veterans. Agricultural land, non-commercial recreational land, inventory, and livestock are assessed at less than 100% of fair market value.

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. The Property Appraiser is required to physically inspect the real property every five (5) years. There is a limitation of the lesser of 3% or the increase in the consumer price index during the relevant year on the annual increase in assessed valuation of Homestead Property (defined below), except in the event of a sale of such property during such year, and except as to improvements to such property during that year. State law requires, with certain exceptions, that property be assessed at fair market value; provided, however, that $25,000 of the assessed valuation of a homestead is exempt from all taxation for a residence occupied by the owner on a permanent basis where such owner has filed for and received a homestead exemption ("Homestead Property" or "Homestead") and, with respect to Homestead Property, an additional exemption of up to $25,000 on the assessed valuation greater than $50,000 is exempt from taxation for all property tax levies other than school district levies.

The Property Appraiser's office prepares the assessment roll and gives notice by mail to each taxpayer of the proposed property taxes and the assessed property value for the current year, and the dates, times and places at which budget hearings are scheduled to be held. The property owner then has the right to file an appeal with the value adjustment board, which considers petitions relating to assessments and exemptions. The value adjustment board may make

adjustments to the assessment roll to reflect any reduction in the assessed value of property upon the completion of the appeals. The value adjustment board certifies the assessment roll upon completion of the hearing of appeals to it. Millage rates are then computed by the various taxing authorities and certified to the Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll, which is then certified and turned over to the Tax Collector.

Section 194.104, Florida Statutes requires that taxpayers appealing the assessed value or assigned classification of their property must make a required partial payment of taxes on properties that will have a petition pending on or after the delinquency date (normally April 1). The new statute further provides that a taxpayer's failure to make the required partial payment before the delinquency date (normally April 1) will result in the denial of the taxpayer's petition.

The amounts and availability of any of the City's ad valorem tax receipts are subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of the ad valorem funds of the City are generated (such as fluctuations in property values or exemptions from ad valorem taxation). On June 21, 2007, property tax reform legislation enacted by the Florida Legislature became effective which, among other matters, required counties, cities and special districts to roll back their millage rates. Additional property tax reform legislation was enacted by the Florida Legislature in a special session ended October 29, 2007 and a constitutional amendment was approved by Florida voters on January 29, 2008 which, among other matters, increased the homestead exemption for certain properties. An additional constitutional amendment relating to property tax reform was approved in November, 2010. In its 2011 regular session, the Florida Legislature enacted additional legislation impacting ad valorem taxation. Constitutional amendments implementing a portion of this legislation to grant additional homestead exemptions for certain homeowners were approved by the electors in the 2012 general election. During its 2013 Regular Session, the legislature passed additional legislation which was signed into law by Governor Rick Scott and provides a number of changes affecting ad valorem taxation which became effective as of July 1, 2013 to further property tax reform. See "RISK FACTORS-- Legislative Initiatives and Economic Conditions."

Specific Sources of Certain Non-Ad Valorem Revenues

The following is a brief description of certain of the sources of the City's non-ad valorem revenues. No representation is made that any of the specific revenue sources will be available to the City in future years. See "RISK FACTORS—'Legislative Initiatives and Economic Conditions' and "Additional Indebtedness'."

Parking System Revenues

Parking System Revenues consist of the rentals, rates, charges, fines and other fees derived from the operation of the City's Parking System. The Parking Revenues generated by the Parking System are credited to the City's recently established Parking System Enterprise Fund.

Local Government Half-cent Sales Tax

The State levies and collects a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the "Program") which distributes a portion of the sales tax revenue and money from the State's general fund on a monthly basis to counties and municipalities that meet certain on-going eligibility requirements. When the Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Program, giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized.

Section 212.20, Florida Statutes provides for the distribution of sales tax revenues collected by the State and further provides for the distribution of a portion of sales tax revenues to the Local Government Half-Cent Sales Tax Clearing Trust Funds (the "Trust Fund"), after providing for transfers to the State's General Fund and the Ecosystem Management and Restoration Trust Fund. The entire sales tax remitted to the State of each sales tax dealer located within a particular county (the "Local Government Half-Cent Sales Tax Revenues") is deposited in the Trust Fund and earmarked for distribution to the governing body of such county.

The percentage of the Local Government Half-Cent Sales Tax Revenues currently deposited in the Trust Fund is 8.804%. The general rate of sales tax in the State is currently 6.00%. After taking into account the distributions to the State's General Fund (historically 5% of taxes collected) and the Ecosystem Management and Restoration Trust Fund (currently .2% of the taxes collected), for every dollar of taxable sales price of an item, approximately 0.501 cents is currently deposited into the Trust Fund, which is subject to change by the Florida legislature.

As of October 1, 2001, the Trust Fund began receiving a portion of certain taxes imposed by the State on the sales of communication services (the "CST Revenues") pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Trust Fund now consist of funds derived from both general sales tax proceeds and CST Revenues required to be deposited into the Trust Fund.

The proportion of the Local Government Half-cent Sales Tax to be received by the County" and the municipalities within the County, including the City, is determined by the following formulas:

County's share (percentage of total Local Government Half-cent Sales Tax earmarked for distribution within the County)	=	$\frac{\text{unincorporated area population} + \text{2/3 of the incorporated area population}}{\text{total county population} + \text{2/3 of the incorporated area population}}$
Municipality's share (percentage of total Local Government Half-cent Sales Tax earmarked for distribution within the County)	=	$\frac{\text{population of municipality}}{\text{total county population} + \text{2/3 of the incorporated area population}}$

In order to be eligible to receive the Local Government Half-cent Sales Tax, each year the City must meet certain requirements set forth in Section 218.23, Florida Statutes, as amended. The City has never failed to comply with such requirements.

Local Communications Services Tax

Section 202.19, Florida Statutes, as amended, authorizes any city within the State to levy, by ordinance, a discretionary communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes (the "Local Communications Services Tax"). Communications services means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of protocol used for such transmission or conveyance, excluding certain specified items. For cities, this tax may not exceed 5.1% of the payments received by the providers of such communication services from purchasers. The maximum rate does not include permitted add-ons of up to 0.12%, nor does it supersede conversion or emergency rates authorized by Section 202.20, Florida Statutes, which are in excess of the maximum rate.

Section 202.125, Florida Statutes, exempts all purchases of communication services by the Federal government and its agencies and instrumentalities, the State and any county, municipality or political subdivision of the State and any religious or educational organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

The City levies a 5.1% Local Communications Services Tax, plus an add-on in the amount of twelve-hundredths percent (.12%) for a total rate of 5.22%. The Local Communications Services Tax must be collected by the provider from purchasers and remitted to DOR. The proceeds of the Local Communications Services Tax, less DOR's costs of administration, are transferred to the Local Communications Services Tax Clearing Trust Fund held by DOR and distributed to the City on a monthly basis.

Utility Service Tax

Pursuant to Section 166.231, Florida Statutes and other applicable provisions of law, the City imposes, by ordinance a utility service tax on the purchase of electricity, bottled gas, natural or manufactured; metered gas, natural or manufactured; and fuel oil in the City. The utility service tax is levied at the rate of 10% with the exception of the utility service tax imposed on water service, which is levied at the rate of 6%. The United States, State of Florida, and the

political subdivisions and agencies, boards, commissions, and authorities thereof, are exempted from payment of the utility service tax. Any recognized church, when purchasing electricity, metered natural gas, liquefied petroleum gas either metered or bottled and manufactured gas either metered or bottled, exclusively for church purposes, is similarly exempted.

Electric Franchise Tax

The City has, by ordinance, granted to Florida Power & Light Company ("FPL") a 30-year non-exclusive franchise to construct, maintain and operate power facilities over public rights-of-way throughout the City. The franchise fee is added to each electricity customer's monthly bill and is remitted monthly by FPL to the City. The franchise will expire in 2032 unless the City and FPL renew the franchise.

In addition, the City has, by ordinance, granted to Tampa Electric Company ("TEC") a natural gas franchise to provide natural gas to a limited number of customers in the City. The franchise fee is added to such customer's monthly bill and is remitted monthly by TEC to the City. The franchise will expire in 2021 unless the City and TEC renew the franchise.

State Revenue Sharing Funds

Pursuant to Section 218.215(1), Florida Statutes, the State has created the Revenue Sharing Trust Fund for Municipalities. Each municipality receives a minimum entitlement from the Revenue Sharing Trust Fund for Municipalities. The "minimum entitlement" is the amount of revenue, certified by each municipality and determined by DOR, that must be shared with such municipality such that the municipality will receive the amount of revenue necessary to meet its obligations as a result of pledges or assignments or trusts entered into which obligated funds received from revenue sources or proceeds to be distributed out of the Revenue Sharing Trust Fund for Municipalities pursuant to the Florida Revenue Sharing Act of 1972, Part II of Chapter 218, Florida Statutes, as amended.

After giving effect to the minimum entitlements for each city, moneys in the Revenue Sharing Trust Fund for Municipalities are apportioned among eligible counties based on an apportionment factor composed of three equally weighted portions: (i) each eligible city's percentage of the total population of all eligible cities in the State (with such population being weighted as required by applicable law); (ii) the proportion of sales tax collected within a given city to the total sales tax collected within all the eligible cities in the State (the sales tax collected within a given city is derived by allocating the amount of sales tax collections for the county in which the city is located to each city in the county on the basis of the proportion of each city's population to the total population of the county; and (iii) additional criteria relating to the relative ability of the given city to raise revenue, based upon the population of the given city and its assessed property values. These factors are also used to determine the amount of revenue sharing funds that will be shared with the cities in each State fiscal year.

In order to be eligible to receive moneys apportioned from the Revenue Sharing Trust Fund for Municipalities after giving effect to the minimum entitlement, each year the City must meet certain requirements set forth in Section 218.23, Florida Statutes, as amended. The City has never failed to comply with such requirements.

Charges for Services

The City collects revenue from fees it charges for certain services it provides. Such fees include, without limitation: (i) funds from internal services, (ii) charges for lien searches, lien collections, certification and general photocopying, (iii) planning and zoning fees, (iv) security system registration and monitoring fees, (v) election filing fees, (vi) towing fees, (vii) fire inspection and other specific fire department service fees, (viii) fees for emergency medical services, and (ix) fees for the use of parks, playgrounds and related facilities and equipment.

Other Intergovernmental Revenues

Other intergovernmental revenues constitute amounts received by the City pursuant to federal, State and County statutory requirements or initiatives and local programs that are designed to fund specific needs and services within the City. Such revenues include, without limitation, amounts received from: (i) federal grants for emergency management, homeland security, economic development, transportation and technology, (ii) the State pursuant to (a) the gasoline tax refund under Chapter 206, Part I, Florida Statutes, as amended, and (b) State grants for library services, emergency management and community affairs, (iii) the County resulting from business tax receipts and mobile home license fees, hazardous material cleanup and grants for emergency management, security and other City services; and (iv) museums, community colleges and other local entities.

Fines and Forfeitures

Revenues from fines and forfeitures primarily constitute amounts received by the City from fines assessed by the courts and charges imposed for municipal code violations.

Lease Revenue

As discussed herein under "THE PROJECT--General," as part of its ongoing redevelopment effort in the East District the City has entered into the Pier Development Agreement with a private developer to further new development on land owned by the City around the public pier near the public beach in the City, which will be ground leased to the developer pursuant to the Pier Development Agreement. The Pier Project is planned to consist of beach and pier-oriented retail shops, restaurants, concessions, open space, plazas and general areas that are intended to attract residents and visitors, together with related infrastructure and parking. The Pier Development Agreement stipulates that the City will be entitled to minimum base rent amounts for each ground leased parcel equal to approximately $400,000 annually. The Pier Development Agreement further entitles the City to a percentage of gross revenues derived by the developer exceeding certain annual gross revenue amounts. The City anticipates beginning to receive these rental amounts, in accordance with the timing of development of parcels by the developer, beginning in fiscal year 2016.

Miscellaneous

Miscellaneous revenues include, but not limited to, amounts received by the City from (i) interfund transfers and charges, (ii) fire assessment fees, (iii) business tax receipts, (iv) pari-mutuel operations within the City, (v) the sale of surplus property, (vi) interest earnings on (a)

the investment of moneys in the City's General Fund, (b) current or delinquent taxes, and (c) liens on property, and (vii) contributions made to the City. The City can discontinue or change any of its fees, rates and charges and may discontinue any of the activities of the County that generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues.

SELECTED FINANCIAL MATTERS RELATING TO THE CITY

Certain Matters Relating to Annual Budget Process and General Fund budget

The City follows the procedures set forth in Chapters 166 and 200 of the Florida Statutes in establishing its annual Budget. The City Manager submits to the City Commission of the City a proposed operating budget for the Fiscal Year commencing on October 1. The proposed operating budget includes proposed expenditures and revenues. Public hearings are then conducted to obtain taxpayer comments on the proposed operating budget. The annual Budget is enacted through the passage of an ordinance by the City Commission on or before the fifteenth day of September of the Fiscal Year currently ending.

The City's Fiscal Year 2014-2015 annual Budget was adopted on September 22, 2014 in the approximate amount of $224 million with a General Fund budget of approximately $115.5 million (including transfers in). The operating millage rate decreased from 4.8712 mills in Fiscal Year 2013-2014 to 4.7470 mills in Fiscal Year 2014-2015. The Florida Constitution provides that no municipality may levy more than 10 mills, exclusive of voted millage. The City will first consider budgeting and appropriating Lease Payments in its annual Budget for Fiscal Year 2016-2017.

Selected Information Regarding The City's General Fund

The following tables reflect historical financial information for the City's General Fund (the City's main operating fund) for the past five Fiscal Years (2010 through 2014), as audited by an independent certified public accountant. Tables indicate the General Fund's financial position (Balance Sheet) at the end of the respective Fiscal Year, as well as the General Fund's results of its operations (Statement of Revenue, Expenditures and Changes in Fund Balances) for the Fiscal Year then ended.

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CITY OF POMPANO BEACH, FLORIDA
GENERAL FUND BALANCE SHEET FOR FISCAL YEARS ENDED
SEPTEMBER 30, 2010-2014
(audited)

	2010	2011	2012	2013	2014
ASSETS					
Cash and cash equivalents	$11,398,863	$3,998,376	$6,574,730	$4,703,287	$ 2,164,762
Restricted cash and cash equivalents	-	-	-	-	-
Restricted investments	27,470,396	8,190,183	8,175,752	6,682,395	8,129,626
Unrestricted investments	56,481,490	54,616,211	49,968,430	51,624,555	48,998,385
Interest receivable	652,933	253,232	203,899	145,946	149,278
Accounts receivables, net	2,921,617	2,475,166	2,363,145	2,507,085	2,740,428
Assets held for resale & development	2,486,725			-	
Due from other funds	530,000	881,168	708,500	1,416,223	2,151,896
Due from other governments	3,314,574	2,042,992	2,035,302	1,951,024	6,339,754
Inventories	278,548	214,895	172,705	190,212	167,054
Prepaids	5,863	30,619	1,207,478	138,278	27,350
Other assets	27,996	27,617	26,732	25,958	89,982
Total assets	$105,569,005	$72,730,459	$71,436,673	$69,384,963	$70,958,515
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$564,952	$544,006	$620,398	$875,332	$904,987
Accrued expenditures	682,075	754,463	970,482	1,038,807	1,200,192
Due to other governments	1,552,802	80,207	87,774	-	
Advances from other funds	2,916,666	2,500,000	1,666,667	833,334	
Unearned revenue	2,211,584	1,688,964	1,580,516	1,551,152	1,169,140
Total liabilities:	$7,928,079	$5,567,640	$4,925,837	$4,298,625	$3,274,319
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	$5,624,614
Fund balances[1] :					
Reserved	$45,013,996				
Unreserved	52,626,930				
Nonspendable	-	$245,514	$1,380,183	$328,490	$194,404
Restricted	-	8,190,183	8,175,752	6,682,395	8,129,626
Assigned	-	3,367,131	3,131,562	1,427,818	2,933,852
Unassigned	-	55,359,991	53,823,339	56,647,635	50,801,700
Total fund balances[2]	97,640,926	67,162,819	66,510,836	65,086,338	62,059,582
Total liabilities, deferred inflows of resources and fund balances	$105,569,005	$72,730,459	$71,436,673	$69,384,963	$70,958,515

Source: Compiled from Comprehensive Annual Financial Reports for the Fiscal Years 2010-2014.

[1] The City implemented Government Accounting Standards Board (GASB) Statement 54, which resulted in a change in the names for fund balance categories, beginning with the fiscal year ended September 30, 2011. Categories such as reserved and unreserved were no longer utilized.

[2] The decrease in fund balance from fiscal year 2010 to fiscal year 2011 was primarily the result of the utilization of unassigned (previously undesignated) fund balance for various capital project initiatives. These funds were transferred to the City's Capital Projects Fund and committed to the approved projects.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--- GENERAL FUND FOR FISCAL YEARS ENDING SEPTEMBER 30, 2010-2014
(audited)

	2010	2011	2012	2013	2014
Revenues					
Taxes	$61,532,724	$55,255,117	$56,378,024	$59,051,292	$59,482,200
Judgments, fines and forfeitures	1,353,607	1,204,590	1,085,139	1,200,681	983,420
Permits, fees and special assessments	22,005,457	23,126,737	24,323,177	24,654,735	26,596,373
Intergovernmental	15,275,795	10,415,998	10,779,454	11,280,833	12,912,177
Charges for services	12,150,030	12,703,681	12,942,350	13,070,474	12,579,999
Pari-Mutuel	-	1,897,796	2,067,263	2,171,040	2,267,089
Donations	21,686	28,794	15,117	8,610	12,617
Investment earnings	2,406,282	653,375	782,000	203,746	439,620
Other revenue	644,755	711,200	827,852	904,806	465,368
Total revenues	$115,390,336	$105,997,288	$109,200,376	$112,546,217	$115,738,863
EXPENDITURES					
Current:					
General government	$19,472,054	$18,208,625	$18,674,081	$19,507,414	$19,188,232
Public safety	61,834,181	61,147,100	60,036,752	60,716,912	61,285,587
Physical environment	11,487,465	11,085,953	11,590,163	12,275,252	12,904,547
Transportation	3,145,210	3,133,813	2,297,206	2,355,830	2,354,189
Culture and recreation	6,760,559	6,750,254	6,546,615	6,407,977	6,831,557
Debt Service:					
Principal	-	-	213,131	218,988	225,005
Interest	-	-	78,943	73,087	67,069
Capital outlay	3,282,490	7,032,572	14,174,254	7,840,266	8,587,099
Total expenditures	105,981,959	107,358,317	113,611,145	109,395,726	111,443,285
Excess (deficiency) of revenues over (under) expenditures	$9,408,377	$(1,361,029)	$(4,410,769)	$3,150,491	$4,295,578
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	$82,446	$53,150	$107,860	$100,210	$54,351
Transfers in	2,208,325	8,120,582	15,319,089	9,648,288	10,776,753
Transfers out[2]	(10,469,043)	(29,793,768)	(11,668,163)	(14,323,487)	(18,153,438)
Total other financing sources (uses)	(8,178,272)	(21,620,036)	3,758,786	(4,574,989)	(7,322,334)
Net change in fund balances	$1,230,105	$(22,981,065)	$(651,983)	$(1,424,498)	$(3,026,756)
Fund balances - beginning [1]	$96,410,821	$90,143,884	$67,162,819	$66,510,836	$65,086,338
Fund Balances - ending[1] [2]	$97,640,926	$67,162,819	$66,510,836	$65,086,338	$62,059,582

Source: Compiled from Comprehensive Annual Financial Report for the Fiscal Years 2010-2014.

[1] The ending fund balance for the fiscal year ended September 30, 2010 differs from the beginning fund balance for fiscal year 2011 because during fiscal year 2011 the City removed other activity previously reported within the General Fund to new Special Revenue Funds (Special Purpose and Other Grants Funds).

[2] The large change in General Fund balance between fiscal year 2010 and fiscal year 2011 is primarily attributed to the City transferring funds to its Capital Projects Fund to be committed to various capital projects.

RISK FACTORS

Each purchaser of Series 2015 Certificates is subject to certain risks and each prospective purchaser of Series 2015 Certificates is encouraged to read this Offering Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the market price of the Series 2015 Certificates to an extent that cannot be determined.

Non-Appropriation by the City

THE LEASE PAYMENTS TO BE MADE BY THE CITY ARE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY AS PART OF ITS BUDGET PROCESS, and no assurance can be given that the City will make such an appropriation. If, for any Fiscal Year, the City enacts a budget in accordance with the Act which does not provide sufficient funds (after taking into account any amounts credited or available for credit for such purpose under the Lease Agreement) to continue making Lease Payments in full for the next succeeding Renewal Lease Term beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments have been budgeted and appropriated, such action shall constitute an Event of Non-Appropriation and the Lease Agreement shall terminate as of the last day of the then-current Initial Lease Term or Renewal Lease Term and the City shall not be obligated to make Lease Payments accruing or arising beyond such last day. If an Event of Non-Appropriation shall occur, the City is required to peaceably vacate and return possession of the Parking Garage Land and the Parking Garage (but not any other portions of the Project) to the Corporation, or its assignee or designee, for the duration of the Ground Lease no later than the end of the then-current Lease Term. Although the City has indicated that it currently does not expect its need for the Project to diminish during the Maximum Lease Term, the City is not required to appropriate funds for Lease Payments. No assurance can be given that the City has or will have in the future sufficient funds to appropriate, or that an appropriation will be made, for the purpose of making Lease Payments under the Lease Agreement.

If an Event of Non-Appropriation occurs, the City will not be obligated to make payment of Lease Payments accruing or arising beyond the then-current Fiscal Year but will not be relieved of any obligations arising or accruing prior to such Event of Non-Appropriation. However, for each day that the City remains in possession of the Parking Garage Land and the Parking Garage beyond the date of expiration of the Lease Term, the City shall be obligated to pay damages under the Lease Agreement in an amount equal to the Lease Payments which would have accrued under the Lease Agreement, calculated on a daily basis, for any such period during which the City fails to vacate or surrender the Project. Such obligations, including the obligation to pay Supplemental Rent for Extraordinary Mandatory Prepayment due to deficiencies in insurance or condemnation proceeds, are only payable from Available Revenues.

The likelihood that an Event of Non-Appropriation will occur, terminating the Lease Agreement, is dependent upon certain factors that are beyond the control of the Series 2015 Certificate Owners, including without limitation, the City's satisfaction with the plans and specifications for the Project, the City's satisfaction with the quality and timeliness of the construction of the Project, the continuing future utility of the Project, and the absence of certain force majeure events which impact the City's desire to continue to utilize the Project. No

assurance can be given that the Lease Agreement will not be terminated prior to the end of the Maximum Lease Term.

As described under "TAX MATTERS," Special Counsel will express no opinion with respect to any tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2015 Certificates following termination of the Lease Agreement as a result of an Event of Non-Appropriation or the occurrence of an Event of Default thereunder.

Limitation Upon Disposition; Ability to Re-Let

ONLY THE PARKING GARAGE LAND AND THE PARKING GARAGE WILL BE SUBJECT TO SURRENDER AND THE EXERCISE OF REMEDIES BY THE TRUSTEE UPON AND EVENT OF NON-APPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE AGREEMENT. THE PARKNG GARAGE MUST BE USED THROUGHOUT THE GROUND LEASE TERM AS A PUBLIC PARKING GARAGE FOR THE BENEFIT OF THE PUBLIC AT LARGE. THE PORTION OF THE PROJECT OTHER THAN THE PARKING GARAGE, CONSISTING OF THE ROADWAYS, TOGETHER WITH RELATED UTILITY LINES AND DRAINAGE IMPROVEMENTS, [SIGNALIZATION] AND LANDSCAPING AND PARKING SPACES ON THE ROADWAYS, IS NOT SUBJECT TO SURRENDER OR THE EXERCISE OF REMEDIES BY THE TRUSTEE.

The Trustee's ability to actually achieve any disposition of the Parking Garage Land and the Parking Garage upon the occurrence of an Event of Default or Event of Non-Appropriation under the Lease Agreement is limited by its inability to convey fee simple title to the Parking Garage Land and the Parking Garage, by the governmental nature of the Parking Garage, and by the requirement of the City Charter that the Parking Garage Land be used for the benefit of the public at large during the Ground Lease Term. Moreover, it is possible that a court of competent jurisdiction could enjoin the re-letting or other disposition of the Trustee's interest in the Parking Garage Land and the Parking Garage (even if the City consents) because of the essential governmental nature thereof and/or the restrictions applicable thereto in the City Charter of the City as described under "SECURITY FOR THE SERIES 2015 CERTIFICATES--General." No opinion will be given by Special Counsel or the City Attorney of the City as to the procedure required to be followed under State law to evict the City from the Parking Garage Land or Parking Garage by reason of an Event of Non-Appropriation or Event of Default under the Lease Agreement. Without limiting the generality of the foregoing, no assurances are given that a State court would not afford to the City rights similar to those of a mortgagor in a mortgage foreclosure proceeding or of a debtor under Chapter 679 of the Florida Statutes. Accordingly, there can be no assurance that the remedies available to the Trustee upon any such termination of the Lease Agreement and the disposition of the Parking Garage Land and the Parking Garage will produce sufficient amounts to pay the outstanding Series 2015 Certificates. In no event may the City lose title to the Parking Garage Land.

Applicability of Securities Laws

After termination of the Lease Agreement, the transfer of a Series 2015 Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 2015 Certificates will not be impaired following termination of the Lease Agreement.

Additional Indebtedness

The City has incurred, and may hereafter issue, indebtedness secured by or payable from revenues of the City which would otherwise be available to the City to make Lease Payments without the consent of the Owners of the Series 2015 Certificates. Such indebtedness may adversely affect the City's ability to make Lease Payments under the Lease Agreement.

Legislative Initiatives and Economic Conditions

The amounts and availability of any of the City's non-ad valorem funds are subject to change, including reduction or elimination by change of State of Florida ("State") law, City ordinance or resolution or changes in the facts or circumstances according to which certain of the non-ad valorem funds of the City are allocated. In addition, the amount of certain non-ad valorem funds collected by or distributed to the City is directly related to the general economy of the City. Accordingly, adverse legislative changes or economic conditions could have a material adverse effect on the amount of non-ad valorem funds generally collected or received by the City in any Fiscal Year.

As described under "SOURCES OF AVAILABLE REVENUES—General—Ad Valorem Taxes," during recent years, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in the State Legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the ad valorem tax receipts of the City.

It is impossible to predict what new proposals may be presented regarding sources of non-ad valorem revenues or ad valorem tax reform during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. A reduction in the City's ad valorem tax revenues may increase the need for the City to apply non-ad valorem revenues to fund essential public services and functions of the City. In that case, the non-ad valorem revenues available to the City to pay Basic Rent Payments could be reduced. In addition, no assurance can be given that, pursuant to action by the Florida Legislature in the future, (i) changes will not be made to the statutes that give rise to certain of the sources of non-ad valorem revenues, (ii) such changes, if any, will not have a material adverse impact on the collection of affected sources of non-ad valorem revenues, or (iii) a repeal of such statutes will not be attempted and, if attempted, will not be successful. In such event, the

non-ad valorem revenues available to the City to pay Basic Rent Payments could be reduced. See "SOURCES OF AVAILABLE REVENUES—General—Non-Ad Valorem Revenues."

Property Insurance; Natural Disasters

Principally as a result of the substantial property damage caused by hurricanes and other storms in Florida and other parts of the United States over the last few years, property insurance premiums have risen dramatically for Florida property owners. It has become impossible or economically impracticable for many municipalities within the State to obtain property insurance with the level of coverage they have historically secured. The property insurance requirements contained within the Lease Agreement provisions require the City to obtain certain levels of property insurance coverage with respect to the Project to the extent available at commercially reasonable rates. In the event the City suffers substantial damage to the Project that is not covered by its current insurance or it is not eligible for federal reimbursement, the City's financial condition could be adversely impacted. The occurrence of natural disasters, such as hurricanes, tornadoes, floods or droughts, or other disasters could damage the Project and may adversely impact the City's ability or desire to make Lease Payments.

[No Right of Certificate Holders to Direct Remedies

Unless the Series 2015 Insurer is in default of its obligations under the Series 2015 Municipal Bond Insurance Policy, the Series 2015 Insurer is entitled to control and direct any of the rights or remedies of the Trustee including the right to direct the Trustee as to whether or not to re-let the Project. However, the Series 2015 Insurer has no fiduciary responsibility to the 2015 Certificate Owners with respect to the direction of such remedies.]

[Series 2015 Insurer

The timely payment of the Principal Component and Interest Component on the Series 2015 Certificates is insured by the Series 2015 Municipal Bond Insurance Policy issued by the Series 2015 Insurer. There is no assurance that the Series 2015 Insurer will be able to meet its obligations under the Series 2015 Municipal Bond Insurance Policy.

The following are selected risk factors relating to the Series 2015 Municipal Bond Insurance Policy and the Series 2015 Insurer.

In the event of default of the payment of principal or interest components of Basic Rent Payments with respect to the Series 2015 Certificates when all or some becomes due, any owner of the Series 2015 Certificates shall have a claim under the Series 2015 Municipal Bond Insurance Policy for such payments. The Series 2015 Insurer may direct and must consent to any remedies and the Series 2015 Insurer's consent may be required in connection with amendments to the Master Lease and the Trust Agreement.

In the event the Series 2015 Insurer becomes obligated to make payments with respect to the Series 2015 Certificates, no assurance is given that such event will not adversely affect the market price of the Series 2015 Certificates or the marketability (liquidity) for the Series 2015 Certificates.

Certain of the long-term ratings on the Series 2015 Certificates, if any, will be dependent in part on the financial strength of the Series 2015 Insurer and its claim paying ability. The Series 2015 Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Series 2015 Insurer and of the ratings on the Series 2015 Certificates insured by the Series 2015 Insurer will not be subject to downgrade and such event could adversely affect the market price of the Series 2015 Certificates or the marketability (liquidity) for the Series 2015 Certificates.

The obligations of the Series 2015 Insurer are contractual obligations and in an event of default by the Series 2015 Insurer, the remedies available may be limited by applicable bankruptcy law or State law related to insolvency of insurance companies.

Neither the City nor the Underwriter has made independent investigation into the claims paying ability of the Series 2015 Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Series 2015 Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay Basic Rent Payments and the claims paying ability of the Series 2015 Insurer, particularly over the life of the investment.]

SUITABILITY FOR INVESTMENT

Prospective investors in the Series 2015 Certificates should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2015 Certificates and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. No dealer, broker, salesman or other person has been authorized by the City, the Corporation or the Underwriter to give any information or make any representations, other than those contained in this Offering Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

TAX MATTERS

General

In the opinion of Special Counsel, under existing law, the Interest Component of Basic Rent Payments received by the Owners of the Series 2015 Certificates is exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220; provided, however, no opinion is expressed with respect to any tax consequences under the laws of the State of Florida of any payments received with respect to the Series 2015 Certificates following termination of the Lease Agreement as a result of an Event of Non-Appropriation or the occurrence of an Event of Default thereunder. An opinion to that effect will be included in the legal opinion of Special Counsel. Special Counsel expresses no opinion as to any other tax consequences regarding the Series 2015 Certificates. THE INTEREST COMPONENT OF BASIC RENT PAYMENTS RECEIVED BY THE OWNERS OF THE SERIES 2015 CERTIFICATES IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. THE LEGAL DEFEASANCE OF THE SERIES 2015 CERTIFICATES MAY RESULT IN A DEEMED SALE OR EXCHANGE

OF THE SERIES 2015 CERTIFICATES UNDER CERTAIN CIRCUMSTANCES; OWNERS OF THE SERIES 2015 BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF SUCH AN EVENT. PROSPECTIVE PURCHASERS OF THE SERIES 2015 CERTIFICATES SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE FEDERAL, STATE AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THEIR ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SERIES 2015 CERTIFICATES.

The following discussion is generally limited to "U.S. owners," meaning beneficial owners of Series 2015 Certificates that for United States federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), and certain estates or trusts with specific connections to the United States. ***Partnerships holding Series 2015 Certificates, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2015 Certificates (including their status as U.S. owners).***

Original Issue Discount and Original Issue Premium

Certain of the Series 2015 Certificates ("Discount Certificates") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the principal amount over the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Certificates of the same maturity was sold, provided that excess equals or exceeds a statutory *de minimis* amount .For federal income tax purposes, OID accrues to the owner of a Discount Certificate over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the time a U.S. owner owns a Discount Certificate (i) is interest includable in the U.S. owner's gross income for federal income tax purposes, and (ii) is added to the U.S. owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of the Discount Certificate. The effect of OID is to accelerate the recognition of taxable income during the term of the Discount Certificate.

Certain of the Series 2015 Certificates ("Premium Certificates") may be offered and sold to the public at a price in excess of their principal amount at maturity. If a U.S. owner purchases a Premium Certificate, that owner will be considered to have purchased such a Premium Certificate with "amortizable Series 2015 Certificate premium" equal in amount to such excess. The U.S. owner may elect (which election shall apply to all securities purchased at a premium by such U.S. owner), in accordance with the applicable provisions of Section 171 of the Code, to amortize that premium as an offset to the interest payments on the Premium Certificate using a constant yield to maturity method over the remaining term of the Premium Certificate (or, if required by applicable Treasury Regulations, to an earlier call date). Pursuant to Section 67(b)(11) of the Code, the amortization of that premium is not considered a miscellaneous itemized deduction. Any amortization of Series 2015 Certificate premium will reduce the basis of the Premium Certificate pursuant to Section 1016(a)(5) of the Code.

Owners of Discount Certificates and Premium Certificates should consult their own tax advisors as to the determination for federal tax purposes of the amount of OID or

amortizable Series 2015 Certificate premium properly accruable or amortizable in any period with respect to the Discount Certificates or Premium Certificates and as to other federal tax consequences and the treatment of OID and amortizable Series 2015 Certificate premium for purposes of state or local taxes on, or based on, income.

Information Reporting and Backup Withholding

General information reporting requirements will apply to the payments of the Principal and Interest Components of Basic Rent Payments received by the Owners of the Series 2015 Certificates and the proceeds of the sale of a Series 2015 Certificate to non-corporate holders of the Series 2015 Certificates, and "backup withholding," currently at a rate of 28%, will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest amounts required to be shown on its federal income tax returns. A beneficial owner of a Series 2015 Certificate that is a U.S. owner generally can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

Medicare Tax Affecting U.S. Owners

For taxable years beginning after December 31, 2012, a U.S. owner that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a Medicare tax on the lesser of (1) the U.S. owner's "net investment income" for the taxable year and (2) the excess of the U.S. owner's modified adjusted gross income for the taxable year over a certain threshold. A U.S. owner's net investment income will generally include its interest income and its net gains from the disposition of the Series 2015 Certificate, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. owner that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Medicare tax.

OTHER INFORMATION

Ratings

[Moody's Investors Service, Inc. ("Moody's"),] Standard & Poor's Ratings Service, ("S&P") [and Fitch Ratings] are expected to [assign ratings of "___, "____" and "____" respectively, to the Series 2015 Certificates with the understanding that upon delivery of the Series 2015 Certificates the Series 2015 Insurer will issue the Series 2015 Municipal Bond Insurance Policy securing the Series 2015 Certificates.] [Moody's and S&P] have [also] assigned an underlying rating of "___ and "____" respectively, to the Series 2015 Certificates. The ratings, if any, reflect only the view of the applicable organization providing the same at the time the ratings are given, and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings, if any, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by an or all such organizations, if in the judgment of such organizations, circumstances so warrant. Any such downward revision or withdrawal of such ratings, if any, may have an adverse effect on the market price of the Series 2015 Certificates.

Underwriting

The Series 2015 Certificates are being purchased by RBC Capital Markets, LLC (the "Underwriter"). The Underwriter has agreed to purchase the Series 2015 Certificates at an aggregate purchase price of $_____ (which purchase price represents the $_____ original principal amount of the Series 2015 Certificates, [less][plus] an original issue [discount][premium] of $_____ and less an Underwriter's discount of $_____). The Underwriter's obligation to purchase the Series 2015 Certificates is subject to certain terms and conditions set forth in the purchase contract for the Series 2015 Certificates, the approval of certain legal matters by counsel and certain other conditions. The Underwriter is obligated to purchase all of the Series 2015 Certificates if any are purchased.

The Underwriter may offer and sell the Series 2015 Certificates to certain dealers, banks and others at prices lower than the public offering prices set forth on the inside cover page hereof. The offering prices of the Series 2015 Certificates may be changed from time to time by the Underwriter.

Financial Advisor

Public Financial Management, Inc., Miami, Florida, is serving as financial advisor to the City with respect to the issuance and sale of the Series 2015 Certificates. The financial advisor has advised the City in matters relating to the planning, structuring and issuance of the Series 2015 Certificates. The financial advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Offering Statement.

Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

Litigation

It is the opinion of the City Attorney and City staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations. At the closing of the Series 2015 Certificates, the City Attorney will render a legal opinion to the effect that, among other matters, there is no litigation or proceeding pending, or to its knowledge, threatened, challenging the creation, organization or existence of the City or the validity of the Series 2015 Certificates or the Trust Agreement or Related Certificate Documents, or seeking to enjoin or restrain any of the transactions referred to therein or contemplated thereby.

Registration and Qualification of Series 2015 Certificates for Sale

The sale of the Series 2015 Certificates has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2), nor have the Series 2015 Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Series 2015 Certificates under the securities laws of any jurisdiction in which the Series 2015 Certificates may be sold, assigned,

pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2015 Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions. It should be noted that after termination of the Lease Agreement, the transfer of a Series 2015 Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws.

Legal Matters

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2015 Certificates are subject to the final approving opinion of Greenspoon Marder, P.A., Fort Lauderdale, Florida, as Special Counsel, which is to be delivered at the time of the delivery of the Series 2015 Certificates. The proposed form of such opinion is attached hereto as Appendix B. Greenspoon Marder, P.A., Fort Lauderdale, Florida, is also serving as Disclosure Counsel to the City. Certain legal matters in connection with the issuance of the Series 2015 Certificates will be passed upon for the City by Gordon Linn, Esq., City Attorney. Lewis, Longman & Walker, P.A., West Palm Beach, Florida is serving as counsel to the Underwriter. Certain legal matters will be passed on for the Trustee by Senior Counsel in the Legal Department of the Trustee.

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources, which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All the summaries of the statutes, documents and ordinances contained in this Offering Statement are made subject to all of the provisions of such statutes, documents and ordinances. The summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Continuing Disclosure of Information

The City will execute a Continuing Disclosure Certificate in the form attached as Appendix D for the benefit of the holders of the Series 2015 Certificates and agrees to provide certain financial information and operating data annually relating to the City commencing with the Fiscal Year ending September 30, 2015 and to provide notices of the occurrence of certain enumerated events, if material. Such covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission (the "Rule"). The specific nature of the matters to be provided is set forth in Appendix D. A failure by the City to comply with the requirements of the Continuing Disclosure Certificate will not constitute a default under the Trust Agreement or Lease Agreement. In the event of a failure by the City to comply with any provision of the Continuing Disclosure Certificate, the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2015 Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with such obligations.

Compliance with Prior Undertakings

The City has undertaken certain continuing disclosure obligations in prior continuing disclosure certificates relating to certain outstanding debt obligations of the City. Within the past five years, the City has been in compliance with all of its existing continuing disclosure obligations, in all material respects, and has implemented procedures to assure future compliance with all of its continuing disclosure obligations. **[TO BE CONFIRMED]**

Disclosure Required by Florida Blue Sky Regulations

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the City make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal and interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer such as industrial development bonds or private activity bonds issued on behalf of private businesses). The City is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

Forward-Looking Statements Disclaimer

The statements contained in this Offering Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Offering Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Offering Statement will prove to be accurate.

Certification of the Offering Statement

At the time of payment for and delivery of the Series 2015 Certificates, the City will furnish a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief that insofar as the City and its affairs, including its financial affairs, are concerned, this Offering Statement did not and does not contain an untrue

statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Ordinance and the resolution of the Corporation authorizing the issuance of the Series 2015 Certificates confirm the use of this Offering Statement in connection with the public offering for sale of the Series 2015 Certificates, and authorize the use of this Offering Statement in the offering of the Series 2015 Certificates by the Underwriter.

CITY OF POMPANO BEACH, FLORIDA

By: _____
Lamar Fisher, Mayor

ATTEST:

By: _____
Asceleta Hammond, City Clerk

POMPANO BEACH FINANCE CORPORATION

By: _____
Lamar Fisher, President

ATTEST:

By: _____
Asceleta Hammond, Secretary

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

[INSERT STATISTICAL SECTION FROM CAFR]

APPENDIX B

FORM OF SPECIAL COUNSEL'S OPINION

APPENDIX C

FORMS OF THE GROUND LEASE, LEASE AGREEMENT AND TRUST AGREEMENT

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

EXCERPTS FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014

21160320.1

[APPENDIX F

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY]

EXHIBIT G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Draft 3/13/15

CONTINUING DISCLOSURE CERTIFICATE

CERTIFICATES OF PARTICIPATION
(Parking Garage Project), Series 2015
Evidencing Undivided Proportionate Interest of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, as Lessee,
Pursuant to the Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

Dated: May ___, 2015

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE ("Certificate") is executed and delivered by **THE CITY OF POMPANO BEACH, FLORIDA** (the "City") in connection with the issuance of the $_____ Certificates of Participation (Parking Garage Project), Series 2015 Evidencing Undivided Proportionate Interests of the Owners Thereof in Basic Rent Payments to be Made by the City of Pompano Beach, Florida, as Lessee, Pursuant to the Lease-Purchase Agreement with Pompano Beach Finance Corporation (the "Series 2015 Certificates") as of the ___ day of May, 2015.

W I T N E S S E T H:

WHEREAS, the Series 2015 Certificates are being issued pursuant to a Trust Agreement dated as of May 1, 2015, as same may be supplemented and amended from time to time (the "Trust Agreement"), among the City, the Pompano Beach Finance Corporation (the "Corporation") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and

WHEREAS, the Disclosure Rule (hereinafter defined) imposes certain obligations on the City in connection with the Series 2015 Certificates; and

WHEREAS, the City now desires to execute this Disclosure Certificate with respect to the Disclosure Rule;

NOW, THEREFORE, the City hereby certifies as follows:

1. Recitals; Definitions. The foregoing recitals are true and correct and incorporated herein by this reference. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Trust Agreement.

2. Definitions.

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 hereof.

"Beneficial Owner" shall mean any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2015 Certificates (including persons holding Series 2015 Certificates through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2015 Certificates for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday, Sunday or a day on which banks in the City of New York, New York are required or authorized to be closed or a day on which the New York Stock Exchange is closed.

"Disclosure Rule" shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the authority of the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Listed Events" shall mean any of the events listed in Section 5 hereof.

"Obligated Person(s)" shall mean, with respect to the Series 2015 Certificates, those person(s), other than Insurers, who either generally or through an enterprise, fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Series 2015 Certificates, which person(s) shall include the City, and who are identified as such herein.

"Offering Statement" means the final Offering Statement dated ____, 2015 relating to the Series 2015 Certificates.

"Participating Underwriter" shall mean the original underwriter of the Series 2015 Certificates.

"Repository" shall mean shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access ("EMMA") web portal at http://emma.msrb.org.

"State" shall mean the State of Florida.

3. Provision of Annual Reports.

(a) Not later than thirty (30) days following the date on which the City is required by applicable State law to receive its audited annual financial statements for the preceding Fiscal Year (currently 270 days following the end of the preceding Fiscal Year), prepared in accordance with generally accepted accounting principles, as modified by applicable State requirements and the governmental accounting standards promulgated by the Government Accounting Standards Board (the "Audit"), commencing with the Fiscal Year ending September 30, 2015, the City shall provide the Annual Report to the Repository. The Annual Report will also be made available by the City to each holder of Series 2015 Certificates who makes a written request for such information, upon payment of a reasonable charge therefor. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 below; provided that the Audit may be submitted separately from the balance of the Annual Report. If the City's Fiscal Year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) The City shall: (i) determine each year prior to the date for providing the Annual Report the name and address of the then current Repository; and (ii) file a report with the City Clerk certifying that the Annual Report has been provided pursuant to the requirements hereof, stating the date it was provided and listing the Repository to which it was provided, and send a copy of such report to any Insurer.

4. Contents of Annual Report. The Annual Report shall contain or incorporate by reference the following:

(a) the Audit of the City as of the end of the immediately preceding Fiscal Year; and

(b) an update, as of the end of the immediately preceding Fiscal Year for which an Audit is available or, to the extent applicable, as reflected in the City's then-current budget, of the financial information and operating data contained in the final offering statement prepared in connection with the sale and issuance of the Series 2015 Certificates (as amended, the "Offering Statement") consisting of (i) the information in the tables under the heading "SELECTED FINANCIAL MATTERS RELATING TO THE CITY," updated for the immediate prior five Fiscal Years of the City; and (ii) "APPENDIX A—General Information Regarding the City."

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided, however, that the City agrees that any such modification will be accomplished in a manner consistent with the Disclosure Rule. Any or all of the foregoing items may be incorporated by specific reference to other documents, including offering statements of debt issues or audited financial statements (including the Audit) of the City or related public entities, which have previously been submitted to the Repository. If the document incorporated by reference

is a final offering statement, it must be available from the Repository's Internet website. The City shall clearly identify each such other document so incorporated by reference.

5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2015 Certificates in a timely manner not in excess of ten (10) business days after the occurrence of the event:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;[*]

5. substitution of credit or liquidity providers, or their failure to perform[*];

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2015 Certificates, or other material events affecting the tax status of the Series 2015 Certificates;

7. modifications to rights of the holders of the Series 2015 Certificates, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the Series 2015 Certificates, if material;

11. ratings changes;

12. an Event of Bankruptcy or similar event of an Obligated Person;

[*The Series 2015 Certificates have no credit enhancement.]

13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. notice of any failure on the part of the City to meet the requirements of Section 3 hereof ; and

16. an Event of Default or an Event of Non-Appropriation under the Trust Agreement or a default or event of default under the Ground Lease or Lease Agreement.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

6. Termination of Reporting Obligations. The obligations of the City hereunder shall terminate upon the legal defeasance, prior prepayment or payment in full of all Outstanding Series 2015 Certificates. If such termination occurs prior to the final maturity of the Series 2015 Certificates, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

7. Dissemination Agent. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate (the "Dissemination Agent") and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

8. Obligated Persons. The Obligated Person with respect to the Series 2015 Certificates shall be the City.

9. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Trustee may, and upon written request of the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2015 Certificates, shall, at the expense of the City, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or

the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. Notwithstanding any other provision of the Trust Agreement, failure of the City or the Dissemination Agent to comply with the requirements of this Disclosure Certificate shall not be considered an event of default under the Trust Agreement or Related Certificate Documents (as defined in the Trust Agreement), and the sole remedy under this Disclosure Certificate in the event of any failure of the City or Dissemination Agent to comply with the provisions of this Disclosure Certificate shall be an action to compel performance.

10. Amendment; Waiver. Notwithstanding any other provision hereof, the City and the Dissemination Agent may amend the provisions of this Disclosure Certificate without consent of the holders of Series 2015 Certificates, and any provision of this Disclosure Certificate may be waived provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(b), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2015 Certificates, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Disclosure Rule at the time of the original issuance of the Series 2015 Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either: (i) is approved by the holders of the Series 2015 Certificates in the same manner as provided herein for amendments to this Disclosure Certificate; or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Series 2015 Certificates.

Notwithstanding the foregoing, the City and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Disclosure Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

11. Additional Information. Nothing herein shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in an Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the City shall have no obligation to update such information or include it any future Annual Report or notice of occurrence of a Listed Event.

12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Agreement and the City indemnifies and saves harmless the Dissemination Agent, its officers, directors, employees and agents, from and against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2015 Certificates.

13. Purpose of this Agreement. This Agreement constitutes the written undertaking for the benefit of the Beneficial Owners of the Series 2015 Certificates required by Section (b)(5)(i) of the Disclosure Rule.

14. Beneficiaries. The covenants contained herein shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and the holders and Beneficial Owners from time to time of the Series 2015 Certificates and shall create no rights in any other person or entity.

15. Governing Law. This Disclosure Certificate shall be governed by the laws of the State of Florida and venue shall be in Broward County, Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

CITY OF POMPANO BEACH, FLORIDA

Attest:

_____
Asceleta Hammond, City Clerk

By: _____
_____, [Vice] Mayor

[SEAL]

FTL:2190869:5

JOINDER

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee under the Trust Agreement, hereby joins in Section 9 of this Disclosure Certificate and agrees to be bound thereby.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A, as Trustee

By: _____
Name: _____
Title: _____