

RESOLUTION NO. 2010-857

A RESOLUTION OF THE TOWN OF MIAMI LAKES, FLORIDA, WITH ATTACHMENT, APPROVING THE FORM AND AUTHORIZING THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE SALE AND ISSUANCE, IN ONE OR MORE SERIES, OF THE TOWN'S SPECIAL OBLIGATION BONDS, SERIES 2010 (GOVERNMENT CENTER PROJECT); AUTHORIZING THE TOWN MANAGER TO DEEM THE PRELIMINARY OFFICIAL STATEMENT FINAL FOR PURPOSES OF RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Miami Lakes, Florida (the "Town") finds it is in the best interest of the residents of the Town to provide for the acquisition, construction and equipping of a new government center, as more specifically described herein (the "Series 2010 Project"); and

WHEREAS, the Town Council on November 23, 2010 approved on first reading an ordinance (the "Authorizing Ordinance"), authorizing the issuance of its special obligation bonds, in the aggregate principal amount of not exceeding \$8,300,000 (the "Series 2010 Bonds"), in one or more series, as tax-exempt or taxable bonds, including Build America Bonds (Direct Payment) (as defined herein), in order to finance the costs of the Series 2010 Project; and

WHEREAS, in order to take advantage of potential debt service savings by issuing all or a portion of the Series 2010 Bonds as Build America Bonds (Direct Payment) before the end of the calendar year, it is necessary at this time to approve the use and distribution of a Preliminary Official Statement in connection with the marketing and sale of the Series 2010 Bonds; and

WHEREAS, the Town Council will consider on or about December 14, 2010 on second reading the Authorizing Ordinance and a Supplemental Bond Resolution (as defined in the Authorizing Ordinance) that sets forth, or provides for the determination of, the terms and conditions of the Series 2010 Bonds and other related matters in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF MIAMI LAKES, FLORIDA

**ARTICLE I**

**AUTHORITY AND DEFINITIONS**

**Section 1.01 Authority for this Resolution.** This Resolution is adopted pursuant to the provisions of the Act.

**Section 1.02 Definitions.** Unless the context otherwise requires, capitalized terms used in this resolution shall have the meanings specified in this Section. Terms not otherwise defined in this Section shall have the meanings specified in the Authorizing Ordinance. Words

importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

“Act” means collectively, Article VIII, Section 2 of the Florida Constitution, Chapter 166, Part II, Florida Statutes, Chapter 159, Part VII, Florida Statutes, Sections 1.1, 4.3 and 4.11 of the Charter and other applicable provisions of law.

“Bond Counsel” means counsel selected by the Town, which counsel is nationally recognized on the subject of and qualified to render approving legal opinions on the issuance of municipal bonds. Squire, Sanders & Dempsey L.L.P. is serving as Bond Counsel for the Series 2010 Bonds.

“Build America Bonds (Direct Payment)” means bonds authorized under Section 54AA of the Internal Revenue Code of 1986, as amended, the interest on which is not exempt from federal income taxation, but which bonds are eligible for a federal tax credit in the form of a direct cash subsidy payment from the United States Department of the Treasury to the issuer thereof in an amount equal to a percentage of the interest paid on such bonds.

“Financial Advisor” means Estrada Hinojosa & Company, Inc., in its capacity as financial advisor to the Town in connection with the issuance of the Series 2010 Bonds.

“Mayor” means the Mayor or Vice-Mayor of the Town or in his absence or inability to perform such member of the Town Council designated by the Mayor to act in the Mayor’s behalf or any person succeeding to the principal function of the office of Mayor.

“Preliminary Official Statement” means the preliminary official statement relating to the Series 2010 Bonds in the form authorized pursuant to Section 2.01 hereof.

“Rule” means Rule 15c2-12, as amended, prescribed by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

“Series 2010 Bonds” means, collectively, the Series 2010A Bonds, if any, and the Series 2010B Bonds, if any; provided, however, that the aggregate principal amount of all such Series 2010 Bonds shall not exceed \$8,300,000

“Series 2010A Bonds” means the Series 2010 Bonds, if any, issued as Tax-Exempt Bonds and authorized by the Authorizing Ordinance.

“Series 2010B Bonds” means the Series 2010 Bonds, if any, issued as Build America Bonds (Direct Payment) and authorized by the Authorizing Ordinance.

“Series 2010 Project” means the acquisition, construction and equipping of a new government center building, including, without limitation, furniture, fixtures and equipment and associated support systems, parking facilities and infrastructure improvements related thereto, and the acquisition of the real property upon which such building and associated support systems, parking facilities and infrastructure improvements related thereto are to be constructed; provided, however, that the Series 2010 Project may instead consist of the acquisition, improvement and equipping of an existing building for use as a new government center (and the

real property upon which such building is situated) including, without limitation, furniture, fixtures and equipment and associated support systems, parking facilities and infrastructure improvements related thereto, all as may be determined by the Town Council and provided for in a subsequent resolution of the Town Council.

“Tax-Exempt Bonds” means Series 2010 Bonds issued as bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes.

“Town” means the Town of Miami Lakes, Florida.

“Town Attorney” means the Town Attorney of the Town or any Assistant Town Attorney designated by the Town Attorney to act on the Town Attorney’s behalf or any person succeeding to the principal functions of the office.

“Town Council” means the Town Council of the Town.

“Town Manager” means the Town Manager, or any Assistant Town Manager designated by the Town Manager to act on the Town Manager’s behalf, or the officer or officers succeeding to the principal functions of that office.

## ARTICLE II

### AUTHORIZATION OF PRELIMINARY OFFICIAL STATEMENT

**Section 2.01 Preliminary Official Statement.** The printing, use and distribution of a Preliminary Official Statement in connection with the marketing and sale of the Series 2010 Bonds is hereby authorized by the Town Council. The Preliminary Official Statement shall be in substantially the form thereof approved at this meeting and attached hereto as Exhibit “A,” subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney, the Financial Advisor and Bond Counsel. The Town Manager is hereby authorized to deem the Preliminary Official Statement final for purposes of the Rule and is hereby authorized to execute and deliver a certificate deeming the Preliminary Official Statement final for purposes of the Rule. The execution and delivery of the “deemed final” certificate by the Town Manager shall be conclusive evidence of the approval of the use and distribution of the Preliminary Official Statement. The Town Manager is hereby authorized to provide for the printing of the Preliminary Official Statement.

## ARTICLE III

### MISCELLANEOUS PROVISIONS

**Section 3.01 Further Authority.** The officers of the Town, the Mayor, members of the Town Council and other agents or employees of the Town are hereby authorized to do all acts and things required of them by this Resolution for the use and distribution of the Preliminary Official Statement as provided herein.

**Section 3.02 Severability.** The provisions of this Resolution are declared to be severable and if any section, sentence, clause or phrase of this resolution shall for any reason be held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses, and phrases of this Resolution but they shall remain in effect, it being the legislative intent that this Resolution shall stand notwithstanding the invalidity of any part.

**Section 3.03 Compliance with Open Meeting Law.** It is found and determined that all formal actions of the Town Council concerning and relating to the adoption of this Resolution were taken in open meetings of the Town Council and that all deliberations of the Town Council and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes and the Charter.

**Section 3.04 Repeal of Inconsistent Resolutions.** All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

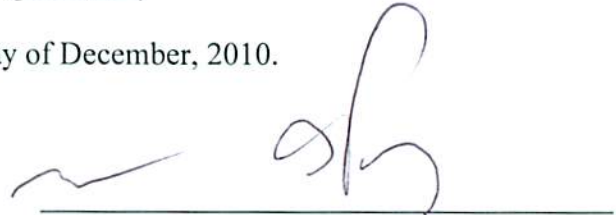
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**Section 3.05 Effective Date.** This Resolution shall take effect upon its adoption.

The foregoing Resolution was offered by Councilmember Collins, who moved for its adoption. The motion was seconded by Councilmember Mestre and upon being put to a vote, the vote was as follows:

Mayor Michael Pizzi	<u>yes</u>
Vice Mayor Nick Perdomo	<u>absent</u>
Councilmember Mary Collins	<u>yes</u>
Councilmember Tim Daubert	<u>no</u>
Councilmember Nelson Hernandez	<u>yes</u>
Councilmember Ceasar Mestre	<u>yes</u>
Councilmember Richard Pulido	<u>absent</u>

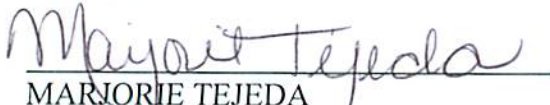
**PASSED AND ADOPTED** on this 8<sup>th</sup> day of December, 2010.



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MICHAEL PIZZI  
MAYOR


ATTEST:



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MARJORIE TEJEDA  
TOWN CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR USE ONLY BY THE TOWN OF MIAMI LAKES:



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WEISS, SEROTA, HELFMAN,  
PASTORIZA, COLE & BONISKE, P.L.  
TOWN ATTORNEY



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SQUIRE, SANDERS & DEMPSEY L.L.P.  
BOND COUNSEL

**EXHIBIT A**  
**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER \_\_, 2010**

**NEW ISSUE – BOOK-ENTRY ONLY**

**RATINGS:**

Fitch: \_\_\_\_

Moody's: \_\_\_\_

See "RATINGS" herein.

*In the opinion of Squire, Sanders & Dempsey L.L.P., Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2010 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2010 Bonds may be subject to certain federal taxes imposed only on certain corporations. Interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.*

\$ \_\_\_\_\_\*

**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS,  
SERIES 2010A (GOVERNMENT CENTER  
PROJECT)**

\$ \_\_\_\_\_\*

**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS,  
FEDERALLY TAXABLE SERIES 2010B  
(GOVERNMENT CENTER PROJECT)  
(BUILD AMERICA BONDS – DIRECT  
PAYMENT)**

Dated: Date of Delivery

Due: December 1, as shown on the inside cover.

The \$ \_\_\_\_\_\* Special Obligation Bonds, Series 2010A (Government Center Project) (the "Series 2010A Bonds") and the \$ \_\_\_\_\_\* Special Obligation Bonds, Federally Taxable Series 2010B (Government Center Project) (Build America Bonds – Direct Payment) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds"), will be issued by the Town of Miami Lakes, Florida (the "Town") to provide funds, together with other available funds of the Town, to (a) finance the costs of the Series 2010 Project (as defined herein), including capitalized interest, (b) [make a deposit to the Reserve Fund in respect of the Series 2010 Bonds,] and (c) pay the costs of issuance related to the Series 2010 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2010 Bonds will be issued pursuant to the Act (as defined herein) and Ordinance No. 2010-\_\_ expected to be duly enacted by the Town Council of the Town (the "Town Council") on or about December 14, 2010 (the "Authorizing Ordinance"), Resolution No. 2010-\_\_ duly adopted by the Town Council on December 8, 2010, and Resolution No. 2010-\_\_ expected to be duly adopted by the Town Council on or about December 14, 2010 (the "Bond Resolution"). All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth under "APPENDIX B – FORM OF BOND RESOLUTION" attached hereto. *The Authorizing Ordinance and the Bond Resolution are being considered for approval by the Town Council on December 14, 2010. The Series 2010 Bonds will not be offered for sale unless and until the Town Council approves both the Authorizing Ordinance and the Bond Resolution.*

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2010 Bonds may not be sold, nor may any offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2010 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

The Series 2010 Bonds are issuable as fully registered bonds in denominations equal to the principal amount of each maturity shown on the inside cover, and when issued will be registered in the name of Cede & Co., as Registered Owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2010 Bonds will be made in book-entry form only through DTC Participants in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2010 Bonds will not receive physical delivery of Series 2010 Bond certificates. Interest on the Series 2010 Bonds will be paid semiannually on June 1 and December 1 of each year, commencing June 1, 2011 (each, an "Interest Payment Date"). Payments of principal of, redemption premium, if any, and interest on the Series 2010 Bonds will be made to purchasers of beneficial interests in the Series 2010 Bonds by DTC Participants. See "DESCRIPTION OF THE SERIES 2010 BONDS – Book-Entry Only System" herein. [\_\_\_\_\_, \_\_\_\_\_,] Florida, will serve as Bond Registrar and Paying Agent for the Series 2010 Bonds.

The Series 2010 Bonds are subject to redemption prior to their stated dates of maturity, all as more fully described herein. See "DESCRIPTION OF THE SERIES 2010 BONDS – Redemption Provisions" herein.

**The Series 2010 Bonds are limited obligations of the Town payable solely from the Pledged Revenues (as defined herein) on a parity with any Additional Bonds and any Refunding Bonds hereafter issued under and pursuant to the Bond Resolution. Neither the faith and credit of the State of Florida nor the faith and credit of any agency or political subdivision thereof or of the Town are pledged to the payment of the principal of, redemption premium, if any, or interest on the Series 2010 Bonds. The Series 2010 Bonds shall not directly or indirectly or contingently obligate the State of Florida or any agency or political subdivision thereof or the Town to levy any ad valorem taxes whatever therefor or to make any appropriation for their payment except from the Pledged Revenues. See "SECURITY FOR THE BONDS" herein.**

*The Town plans to issue the Series 2010B Bonds as Build America Bonds authorized under Section 54AA of the Internal Revenue Code of 1986, as amended. However, the Town may, in its sole discretion and based on market conditions at the time of pricing, determine instead to issue all of the Series 2010 Bonds as tax-exempt Series 2010A Bonds and not issue any Series 2010B Bonds.*

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2010 Bonds are offered for delivery when, as and if issued by the Town and received by the Underwriter (as defined herein), subject to the delivery of an approving opinion as to the legality of the Series 2010 Bonds by Squire, Sanders & Dempsey L.L.P., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the Town by Weiss Serota Helfman Pastoriza Cole & Boniske, P.L., Coral Gables, Florida, as Town Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, KnoxSeaton, Miami, Florida. Estrada Hinojosa & Company, Inc., Miami, Florida, is serving as Financial Advisor to the Town. It is expected that the Series 2010 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about December \_\_, 2010.

## **LOOP CAPITAL MARKETS**

Dated: December \_\_, 2010.



**MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIPS**

\$ \_\_\_\_\_<sup>\*</sup>  
**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS,  
SERIES 2010A (GOVERNMENT CENTER PROJECT)**

<u>MATURITY</u> <u>(DECEMBER 1)</u>	<u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>PRICE</u>	<u>YIELD</u>	<u>INITIAL</u> <u>CUSIP NO.</u> <sup>†</sup>
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\$ \_\_\_\_\_ % Series 2010A Term Bond due December 1, \_\_\_\_\_ Price \_\_\_\_\_ Yield \_\_\_\_\_ % Initial  
CUSIP No. \_\_\_\_\_<sup>†</sup>

\$ \_\_\_\_\_<sup>\*</sup>  
**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS,  
FEDERALLY TAXABLE SERIES 2010B (GOVERNMENT CENTER PROJECT)  
(BUILD AMERICA BONDS – DIRECT PAYMENT)**

<u>MATURITY</u> <u>(DECEMBER 1)</u>	<u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>PRICE</u>	<u>YIELD</u>	<u>INITIAL</u> <u>CUSIP NO.</u> <sup>†</sup>
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\$ \_\_\_\_\_ % Series 2010B Term Bond due December 1, \_\_\_\_\_ Price \_\_\_\_\_ Yield \_\_\_\_\_ % Initial  
CUSIP No. \_\_\_\_\_<sup>†</sup>

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<sup>\*</sup> Preliminary, subject to change.

<sup>†</sup> The Town is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the Town as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

**TOWN OF MIAMI LAKES, FLORIDA  
15700 NW 67<sup>th</sup> Avenue  
Miami Lakes, Florida 33014**

**MAYOR AND MEMBERS OF THE TOWN COUNCIL**

Michael A. Pizzi, Jr.,  
Mayor

Nick Perdomo, Vice Mayor  
Mary Collins  
Tim Daubert

Nelson Hernandez  
Ceasar Mestre  
Richard Pulido

**TOWN OFFICIALS**

**Town Manager**

Alex Rey

**Town Clerk**

Marjorie Tejada

**Town Attorney**

Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.  
Coral Gables, Florida

**CONSULTANTS**

**Bond Counsel**

Squire, Sanders & Dempsey L.L.P.  
Miami, Florida

**Financial Advisor**

Estrada Hinojosa & Company, Inc.  
Miami, Florida

This Official Statement does not constitute a contract between the Town and any one or more owners of Series 2010 Bonds nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2010 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. No dealer, salesman or any other person has been authorized by the Town to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2010 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Town or any other person. The information set forth herein, including in the appendices, has been obtained from the Town and The Depository Trust Company (as to itself and the book-entry only system), and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the 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 Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their respective 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.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2010 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2010 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2010 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2010 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2010 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2010 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements in full, and all summaries herein of the Series 2010 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

This Preliminary Official Statement is in a form deemed “final” by the Town for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted pursuant to Rule 15c2-12(b)(1).

In making an investment decision, investors must rely on their own examination of the Town, and the terms of the offering, including the merits and risks involved. The Series 2010 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, other than as expressly provided in certificates to be delivered to the Underwriter in connection with the closing, the Town has not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: [WWW.MUNIOS.COM.] THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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**OFFICIAL STATEMENT**

*relating to*

\$ \_\_\_\_\_\*  
**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS,  
SERIES 2010A (GOVERNMENT CENTER  
PROJECT)**

\$ \_\_\_\_\_\*  
**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS,  
FEDERALLY TAXABLE SERIES 2010B  
(GOVERNMENT CENTER PROJECT)  
(BUILD AMERICA BONDS – DIRECT  
PAYMENT)**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page, the inside cover page and the appendices attached hereto, is to furnish information in connection with the sale by the Town of Miami Lakes, Florida (the "Town") of its \$ \_\_\_\_\_\* aggregate original principal amount of Special Obligation Bonds, Series 2010A (Government Center Project) (the "Series 2010A Bonds") and \$ \_\_\_\_\_\* aggregate original principal amount of Special Obligation Bonds, Federally Taxable Series 2010B (Government Center Project) (Build America Bonds – Direct Payment) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds will be issued pursuant to the provisions of Article VIII, Section 2 of the Florida Constitution, Chapter 166, Part II, Florida Statutes, Chapter 159, Part VII, Florida Statutes, Sections 1.1., 4.3 and 4.11 of the Town’s Charter, other applicable provisions of law (collectively, the “Act”) and Ordinance No. 2010-\_\_ expected to be duly enacted by the Town Council of the Town (the “Town Council”) on or about December 14, 2010 (the “Authorizing Ordinance”), Resolution No. 2010-\_\_ duly adopted by the Town Council on December 8, 2010, and Resolution No. 2010-\_\_ expected to be duly adopted by the Town Council on or about December 14, 2010 (the “Bond Resolution”). *The Authorizing Ordinance and the Bond Resolution are being considered for approval by the Town Council on December 14, 2010. The Series 2010 Bonds will not be offered for sale unless and until the Town Council approves both the Authorizing Ordinance and the Bond Resolution.*

The Series 2010 Bonds and any Additional Bonds and any Refunding Bonds hereafter issued under the Bond Resolution are collectively, referred to herein as the “Bonds.” All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth under "APPENDIX B – FORM OF THE BOND RESOLUTION" attached hereto.

This Official Statement and the appendices attached hereto contain descriptions of the Series 2010 Bonds, the Bond Resolution and the Town. Such information, descriptions and summaries do not purport to be complete or definitive, and reference is made to each such document in full for the complete details of all the terms and conditions thereof. All references

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\* Preliminary, subject to change.

herein to the Series 2010 Bonds and the Bond Resolution are qualified in their entirety by such documents, copies of which may be obtained from the Town Manager of the Town, 15700 NW 67<sup>th</sup> Avenue, Miami Lakes, Florida 33014, telephone number (305) 364-6100.

### **The Series 2010 Bonds**

The Series 2010 Bonds are being issued in book-entry only form as fully registered bonds in denominations equal to the principal amount of each maturity set forth on the inside cover page, and when issued, shall, as described herein, be registered in the name of Cede & Co., as Registered Owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2010 Bonds will be made in book-entry form only through Direct Participants, as described herein. See "DESCRIPTION OF THE SERIES 2010 BONDS – Book-Entry Only System" herein. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months, from the dated date of the Series 2010 Bonds, payable on each June 1 and December 1, commencing on June 1, 2011.

### **Purpose of Series 2010 Bonds**

The Series 2010 Bonds will be issued to provide funds, together with other available funds of the Town, to (a) finance the costs of the Series 2010 Project (as defined herein), including capitalized interest, (b) [make a deposit to the Reserve Fund in respect of the Series 2010 Bonds, and (c)] pay the costs of issuance related to the Series 2010 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

### **Security for the Series 2010 Bonds**

The Series 2010 Bonds are limited obligations of the Town payable solely from the Pledged Revenues (as defined herein) on a parity with any Additional Bonds and any Refunding Bonds hereafter issued under the Bond Resolution, in the manner and to the extent described in the Bond Resolution. Neither the faith and credit of the State of Florida nor the faith and credit of any agency or political subdivision thereof or of the Town are pledged to the payment of the principal of, redemption premium, if any, or interest on the Bonds. The Bonds shall not directly or indirectly or contingently obligate the State of Florida or any agency or political subdivision thereof or the Town to levy any ad valorem taxes whatever therefor or to make any appropriation for their payment except from the Pledged Revenues.

To secure the Bonds, the Town has irrevocably pledged the Pledged Revenues under the Bond Resolution. The Pledged Revenues consist of (i) the Electric Utility Tax Revenues, (ii) Investment Earnings and (iii) the moneys on deposit in the Funds and Accounts established pursuant to the Bond Resolution, except for the Rebate Fund. The Town has full power and authority to pledge the Pledged Revenues to the payment of the principal of, redemption premium, if any, or interest on the Bonds. See "SECURITY FOR THE SERIES 2010 BONDS" herein.

### **Series 2010B Bonds; Build America Bonds**

*The Town plans to issue the Series 2010B Bonds as Build America Bonds authorized under Section 54AA of the Internal Revenue Code of 1986, as amended (the "Code"). However,*



*the Town may, in its sole discretion and based on market conditions at the time of pricing, determine, instead to issue all of the Series 2010 Bonds as tax-exempt, Series 2010A Bonds and not issue any Series 2010B Bonds.*

## **The Town**

Located in the northwest corner of Miami-Dade County, Florida (the “County”), the Town of Miami Lakes was incorporated on December 5, 2000 and is one of the youngest municipalities in the County. With an area of approximately 6.6 square miles, the Town is home to approximately 27,000 residents and 1,190 businesses.

The Town operates under a Mayor-Council-Manager form of government pursuant to which the Town Council appoints the Town Manager. The Town Council is vested with all legislative powers of the Town, and consists of the Mayor and six members, four residential seats and two at-large. The Mayor's seat is elected at-large for a four-year term. The Mayor is a voting member of the Council. See “TOWN OF MIAMI LAKES” herein.

For an overview of the Town and certain general, demographic and other statistical matters concerning the Town reference is made to "APPENDIX A – GENERAL INFORMATION REGARDING THE TOWN OF MIAMI LAKES, FLORIDA" attached hereto.

## **PLAN OF FINANCING**

The Town has determined that it is desirable and in the best interest of the Town to undertake the acquisition, construction and equipping of a new government center building, including, without limitation, furniture, fixtures and equipment and associated support systems, parking facilities and infrastructure improvements related thereto, and the acquisition of the real property upon which such building and associated support systems, parking facilities and infrastructure improvements related thereto are to be constructed. However, the Town Council may instead decide to acquire, improve and equip an existing building for use as a new government center (and the real property upon which such building is situated) including, without limitation, furniture, fixtures and equipment and associated support systems, parking facilities and infrastructure improvements related thereto, all as may be determined by the Town Council and provided for by a resolution of the Town Council (the “Series 2010 Project”).

A portion of the proceeds of the Series 2010 Bonds, together with other available funds of the Town, will be deposited in the Series 2010 Project Account within the Construction Fund, and used to finance the costs of the Series 2010 Project including, without limitation, capitalized interest on the Series 2010 Bonds. The balance of the proceeds of the Series 2010 Bonds will be used to [(a) make a deposit to the Reserve Fund in respect of the Series 2010 Bonds,] and (b) pay the costs of issuance related to the Series 2010 Bonds.

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**ESTIMATED SOURCES AND USES OF FUNDS**

The following table shows the estimated application of the proceeds of the Series 2010 Bonds and other available funds of the Town as directed by the Bond Resolution.

	<u>Series 2010A</u> <u>Bonds</u>	<u>Series 2010B</u> <u>Bonds</u>
<b><u>Sources:</u></b>		
Par Amount	\$	\$
<b>[Plus/Less: Original Issue Premium/Discount]</b>		
<b>[Equity Contribution]</b>		
Total Sources	<u>\$</u>	<u>\$</u>
<b><u>Uses:</u></b>		
Deposit to Series 2010 Project Account for costs of the Series 2010 Project	\$	\$
Deposit to the Interest Account for capitalized interest on the Series 2010 Bonds		
[Deposit to Reserve Fund]		
Cost of Issuance <sup>(1)</sup>	<u>\$</u>	\$
Total Uses	<u>\$</u>	<u>\$</u>

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<sup>(1)</sup> Includes, among other things, Underwriter’s discount, and legal, financial and administrative expenses with respect to the Series 2010 Bonds.

**DESCRIPTION OF THE SERIES 2010 BONDS**

**General Description**

The Series 2010 Bonds will bear interest at the rates, computed on the basis of a 360-day year consisting of twelve 30-day months, and mature on the dates and in the amounts shown on the inside cover page of this Official Statement.

The Series 2010 Bonds will be dated their date of delivery, and will bear interest from such date. Interest on all Series 2010 Bonds will be payable semiannually on June 1 and December 1 of each year, with the first Interest Payment Date to be June 1, 2011. \_\_\_\_\_, \_\_\_\_\_, Florida, will serve as Bond Registrar and Paying Agent for the Series 2010 Bonds (the "Bond Registrar" and the "Paying Agent").

The Series 2010 Bonds will be issued in fully registered form in denominations equal to the principal amount of each maturity shown on the inside cover page. The Series 2010 Bonds will be issued in book-entry form only and will be registered in the name of Cede & Co., as Registered Owner and nominee of The Depository Trust Company, New York, New York ("DTC"), as described below under "DESCRIPTION OF THE SERIES 2010 BONDS – Book-Entry Only System." Individual purchases of beneficial interests in the Series 2010 Bonds will

be made in book-entry form only through DTC Participants in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2010 Bonds will not receive physical delivery of Series 2010 Bond certificates.

So long as the Series 2010 Bonds are registered in the name of Cede & Co., as nominee of DTC, or otherwise held pursuant to a book-entry only system maintained by another depository, the Town, the Bond Registrar and the Paying Agent will have no responsibility or obligation to any DTC participant (or any participant of such other depository) or to any beneficial owner (the "Beneficial Owner") of Series 2010 Bonds. As to the Series 2010 Bonds maintained through a book-entry only system, without limiting the immediately preceding sentence, the Town, the Bond Registrar and the Paying Agent will have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant (or any such other depository) with respect to any beneficial ownership interest in the Series 2010 Bonds, (ii) the delivery to any DTC participant, any Beneficial Owner or any other person, other than DTC (or any such other depository), of any notice with respect to the Series 2010 Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, any Beneficial Owner or any other person, other than DTC (or any such other depository), of any amount with respect to principal of, redemption premium, if any, or interest on the Series 2010 Bonds. The Town, the Bond Registrar and the Paying Agent will be entitled to treat and consider DTC (or any such other depository) as the absolute owner of the Series 2010 Bonds for the purpose of payment of principal of, redemption premium, if any, and interest on the Series 2010 Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to the Series 2010 Bonds, and for all other purposes whatsoever. The Paying Agent will pay all principal of, redemption premium, if any, and interest on the Series 2010 Bonds only to or upon the order of DTC (or any such other depository then in effect) and all such payments will be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal of, redemption premium, if any, and interest on the Series 2010 Bonds to the extent of the sum or sums so paid. No person other than DTC (or any such other depository then in effect) shall receive Series 2010 Bonds evidencing the obligation of the Town to make payments of amounts due pursuant to the Bond Resolution.

### **Redemption of Series 2010A Bonds**

#### *Optional Redemption of Series 2010A Bonds.*

The Series 2010A Bonds maturing on or before December 1, \_\_\_\_ are not subject to redemption prior to maturity. The Series 2010A Bonds maturing on or after December 1, \_\_\_\_ are subject to redemption prior to their respective dates of maturity, at the option of the Town, in whole or in part on any date on or after December 1, \_\_\_\_, at a redemption price of 100% of the principal amount of the Series 2010A Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

#### *Mandatory Redemption of Series 2010A Bonds*

The Series 2010A Bonds maturing on December 1, \_\_\_\_ are subject to mandatory sinking fund redemption prior to maturity, in such manner as the Bond Registrar may deem

appropriate, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium, on December 1 in the years and Amortization Installments as follows:

<u>Year</u>	<u>Amortization Installments</u>
	\$

### **Redemption of Series 2010B Bonds**

#### Optional Redemption of Series 2010B Bonds

The Series 2010B Bonds are not subject to optional redemption prior to their maturity.

#### Make-Whole Optional Redemption of Series 2010B Bonds

The Series 2010B Bonds are subject to make-whole optional redemption prior to maturity at the option of the Town, [on any date prior to December 1, \_\_\_\_], in whole or in part, in maturities selected by the Town, at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or
- (b) The sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (hereinafter defined), plus \_\_\_\_ basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to the redemption date.

#### Extraordinary Optional Redemption of Series 2010B Bonds

The Series 2010B Bonds are subject to extraordinary optional redemption at the option of the Town, [on any date prior to December 1, \_\_\_\_], in whole or in part, in maturities selected by the Town, upon the occurrence of an Extraordinary Event, at a redemption price equal to the greater of:

- (a) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or

- (b) The sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus \_\_\_ basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to the redemption date.

An “Extraordinary Event” will have occurred if a material adverse change has occurred to Sections 54AA or 6431 of the Code, pursuant to which the Town’s direct cash subsidy payments from the United States Treasury are reduced or eliminated.

“Treasury Rate” means, with respect to any redemption date for a particular Series 2010B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days, but not more than 45 calendar days (excluding inflation indexed securities), or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2010B Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Mandatory Redemption of Series 2010B Bonds

The Series 2010B Bonds maturing on December 1, \_\_\_\_ are subject to mandatory sinking fund redemption prior to maturity, in such manner as the Bond Registrar may deem appropriate, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium, on December 1 in the years and Amortization Installments as follows:

<u>Year</u>	<u>Amortization Installments</u>
	\$

**Selection of Series 2010 Bonds to be Redeemed**

The Series 2010 Bonds will be redeemed only in denominations of \$5,000 or in whole multiples of such denomination, except that if, following any redemption in part of a Series 2010 Bond, the remaining principal amount Outstanding would not be the minimum authorized denomination or a whole multiple thereof; the Series 2010 Bond will be redeemed in full. In selecting Series 2010 Bonds for redemption, the Town and the Bond Registrar will treat each

Series 2010 Bond as representing the number of Series 2010 Bonds that is obtained by dividing the principal amount of such Series 2010 Bond by the minimum denomination authorized. Except as otherwise provided in the Bond Resolution, if less than all of a Series of the Series 2010 Bonds be called for redemption, the particular maturity or maturities of Series 2010 Bonds or portions of Series 2010 Bonds to be redeemed will be selected by the Town and the particular Series 2010 Bonds of like maturity to be redeemed will be selected by the Bond Registrar by such method as the Bond Registrar in its sole discretion deems fair and appropriate.

### **Notice of Redemption**

Notice of redemption of the Series 2010 Bonds, in whole or in part, will be given at least thirty (30) days, but not more than sixty (60) days, prior to the redemption date of any Series 2010 Bonds. The Town will cause a notice of any such redemption signed by the Town to be mailed, first class postage prepaid, to all Holders owning Series 2010 Bonds to be redeemed in whole or in part and to any Fiduciaries, but any defect in such notice or the failure so to mail any such notice to any Holder owning any Series 2010 Bonds to be redeemed will not affect the validity of the proceedings for the redemption of any other Series 2010 Bonds to be redeemed. Each such notice must set forth the name of the Series 2010 Bonds or portions thereof to be redeemed, the date fixed for redemption, the redemption price to be paid, the Series, and if less than all the Series 2010 Bonds of a Series be called for redemption, the maturities of the Series 2010 Bonds to be redeemed, the CUSIP numbers, the name and address (including contact person and phone number) of the Fiduciary to which the Series 2010 Bonds called for redemption are to be delivered and, if less than all of the Series 2010 Bonds of any one maturity then Outstanding be called for redemption, the distinctive numbers and letters, if any, of such Series 2010 Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2010 Bond is to be redeemed in part only, the notice of redemption will also state that on or after the redemption date, upon surrender of such Series 2010 Bond, a new Series 2010 Bond in principal amount equal to the unredeemed portion of such Series 2010 Bond and of the same Series and maturity and bearing the same interest rate will be issued. Any such notice of redemption provided pursuant to the Bond Resolution will be conclusively presumed to have been duly given, whether or not the owner of the Series 2010 Bond receives such notice.

If at the time of mailing of notice of an optional redemption, the Town does not have deposited with a Depositary acting as escrow agent or the Paying Agent moneys sufficient to redeem or purchase all the Series 2010 Bonds called for redemption, such notice must state that it is subject to the deposit of the redemption moneys with the Depositary or Paying Agent, as the case may be, not later than the opening of business on the redemption date and, subject to the immediately succeeding paragraph, such notice will be of no effect unless such moneys are so deposited.

In the case of an optional redemption, any notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Bond Registrar, Paying Agent or a Depositary acting as escrow agent no later than the redemption date or (2) the Town retains the right to rescind such notice on or prior to the scheduled redemption date and such notice and optional redemption shall be of no

effect if such moneys are not so deposited or if the notice is rescinded. See “APPENDIX B – FORM OF BOND RESOLUTION” attached hereto.

### **Effect of Notice of Redemption**

On the date fixed for redemption, notice having been mailed in the manner and under the conditions contained in the Bond Resolution, provided that such notice of redemption has not been rescinded as permitted under the terms of the Bond Resolution, the Series 2010 Bonds or portions thereof called for redemption will be due and payable at the redemption price provided therefor, plus accrued interest to such date. If on the date fixed for redemption money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of the Series 2010 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by a Depository in trust for the Holders of Series 2010 Bonds to be redeemed, interest on the Series 2010 Bonds called for redemption will cease to accrue after the date fixed for redemption; such Series 2010 Bonds will cease to be entitled to any benefits or security under the Bond Resolution or to be deemed Outstanding; and the Holders of such Series 2010 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption; provided, that such notice of redemption has not been rescinded, as permitted under the terms of the Bond Resolution.

### **Book-Entry Only System**

The information in this caption concerning The Depository Trust Company, New York, New York, (“DTC”) and DTC’s book-entry system has been obtained from DTC and the Town does not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2010 Bonds. The Series 2010 Bonds will be issued as fully-registered securities 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 2010 Bond certificate will be issued for each maturity of the Series 2010 Bonds as set forth on the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, 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 members 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”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2010 Bond (“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 2010 Bonds 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 interests in Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 Bonds 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 2010 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2010 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2010 Bonds 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 2010 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, defaults, and proposed amendments to the Bond Resolution. For example, Beneficial Owners of Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 Bonds 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 registrar and request that copies of notices be provided directly to them.



Redemption notices shall be sent to DTC. If less than all of the Series 2010 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town 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 2010 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, redemption premium, if any, and interest on the Series 2010 Bonds 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 Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, redemption premium, if any, and interest on the Series 2010 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, 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 2010 Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2010 Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2010 Bond certificates will be printed and delivered to DTC.

So long as Cede & Co. is the Registered Owner of the Series 2010 Bonds, as nominee of DTC, all references in this Official Statement to the Registered Owners, Holders or Bondholders of Series 2010 Bonds shall mean Cede & Co, and shall not mean Beneficial Owners of the Series 2010 Bonds.

### **Build America Bonds; Direct Payments**

The Town has covenanted in the Bond Resolution to immediately deposit into the Interest Account of the Debt Service Fund any Federal Direct Subsidy Payments (as defined below) received by the Town from the United States Treasury to the Town with respect to the Series 2010B Bonds.

## **BUILD AMERICA BONDS**

### **General**

In February 2009, as part of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), Congress added certain provisions to the Code which make it possible for state or local governments to potentially obtain lower net borrowing costs when issuing bonds that meet certain requirements of the Code and the related Treasury Regulations. Such bonds are referred to as "Build America Bonds."

A Build America Bond is a "qualified bond" under Section 54AA(g) of the Code if it meets certain requirements of the Code and the related Treasury Regulations and the issuer of the Build America Bond has made an irrevocable election to have the special rules applicable to qualified bonds apply. A Build America Bond that constitutes a "qualified bond" entitles the issuer to receive direct subsidy payments (the "Federal Direct Subsidy Payments") directly from the United States Department of the Treasury (the "Department of Treasury") upon meeting certain other requirements. The amount of the Federal Direct Subsidy Payment is established in Section 6431 of the Code at thirty-five percent (35%) of the corresponding interest payable on the related Build America Bonds on any interest payment date.

To receive a Federal Direct Subsidy Payment, under currently existing procedures, an issuer of Build America Bonds must file a return (now designated as Form 8038-CP) between 90 and 45 days prior to the corresponding interest payment date. The issuer should expect to receive the Federal Direct Subsidy Payment contemporaneously with the applicable interest payment date. Depending on the timing of the filing and other factors, a Federal Direct Subsidy Payment may be received before or after the corresponding interest payment date.

Interest on Build America Bonds is not excluded from gross income of the holders thereof for purposes of the federal income tax. In addition, owners of Build America Bonds for which the issuer has elected to receive Federal Direct Subsidy Payments will not receive any tax credits as a result of ownership of such Build America Bonds.

### **The Series 2010B Bonds**

The Town has elected to treat the Series 2010B Bonds as Build America Bonds and has elected to receive Federal Direct Subsidy Payments with respect thereto. Pursuant to the Bond Resolution, such Series 2010B Bonds are defined as "Build America Bonds (Direct Payment)." As a result of this election, interest on the Series 2010B Bonds will be includable in gross income of the beneficial owners thereof for federal income tax purposes. As a result of the Town's election to receive Federal Direct Subsidy Payments with respect to the Series 2010B Bonds, the beneficial owners of the Series 2010B Bonds will also not be entitled to any tax credits as a result of either ownership of the Series 2010B Bonds or receipt of any interest payments on the Series 2010B Bonds. Beneficial owners of the Series 2010B Bonds should consult their own tax advisors with respect to the tax ramifications of owning the Series 2010B Bonds. See also "TAX MATTERS – Series 2010B Bonds" herein.

## **Risk Factors**

The Code imposes certain requirements that the Town must continue to meet after the Series 2010B Bonds are issued in order to receive the Federal Direct Subsidy Payments. These requirements generally involve the use and investment of the proceeds of the Series 2010B Bonds and certain filing requirements with the Department of Treasury and the Internal Revenue Service. If the Town does not meet these requirements, it is possible that the Town may temporarily or irrevocably lose the right to receive such Federal Direct Subsidy Payments. The Town has covenanted to comply with all procedures and requirements set forth in the Code or otherwise promulgated by the Department of Treasury or the Internal Revenue Service in order to continue to receive Federal Direct Subsidy Payments.

The Federal Direct Subsidy Payments do not constitute a full faith and credit guarantee of the United States of America but are required to be paid by the Department of Treasury under the Recovery Act. No assurances are provided that the Department of Treasury will continue to make Federal Direct Subsidy Payments or that the Town will receive the Federal Direct Subsidy Payments. No assurance can be given that any future legislation, clarification, or amendments to the Code, if enacted into law, or judicial decisions will not potentially reduce or eliminate Federal Direct Subsidy Payments expected to be received by the Town with respect to the Series 2010B Bonds. If the Federal Direct Subsidy Payments from the Department of Treasury are reduced or eliminated, or significant new conditions are imposed upon the Town in connection with the receipt thereof, the Town has retained the right to redeem the Series 2010B Bonds. See "DESCRIPTION OF THE SERIES 2010 BONDS – Redemption of Series 2010B Bonds – *Extraordinary Optional Redemption of Series 2010B Bonds*" herein.

In certain circumstances, the Federal Direct Subsidy Payments may be reduced (offset) by the Department of Treasury for amounts determined to be owed by the Town to the federal government or any of its agencies. Amounts owing to and offset by the federal government may be completely unrelated to the Series 2010B Bonds. The offsets may occur by reason of any past-due, legally enforceable debt of the Town to any federal agency. The amount and timing of any such offset is not predictable. Currently, the Town does not expect that any such offsets will apply to the Federal Direct Subsidy Payments the Town expects to receive with respect to the Series 2010B Bonds. Any such offset does not alter the Town's obligation to pay principal of and interest due on the Series 2010B Bonds.

Federal Direct Subsidy Payments will only be paid if the Series 2010B Bonds have been properly designated as Build America Bonds (Direct Payment) and maintain such designation. In order for the Series 2010B Bonds to maintain their status as Build America Bonds (Direct Payment) the Town must comply on an ongoing basis with various provisions of the Code, including those relating to the use and investment of proceeds thereof and the use of property financed thereby. The Town must also file a return between 90 and 45 days prior to each Interest Payment Date for the Series 2010B Bonds. There are currently no established procedures for requesting a Federal Direct Subsidy Payment after the 45<sup>th</sup> day prior to an Interest Payment Date. Accordingly, if the Town fails to file the necessary return in a timely fashion, it is possible that the Town will never receive such Federal Direct Subsidy Payment.

Under the Bond Resolution, Federal Direct Subsidy Payments paid or expected to be paid to the Town are deducted from the calculation of interest coming due on the Series 2010B Bonds (or any other Build America Bonds (Direct Payment) subsequently issued as Additional Bonds under the Bond Resolution) for purposes of determining the Principal and Interest Requirement. The Principal and Interest Requirement impacts various provisions of the Bond Resolution including determining compliance with the covenant regarding Electric Utility Tax Revenues and the additional bonds test. Failure of the Town to ultimately receive Federal Direct Subsidy Payments for any reason could impact such provisions and the Town's compliance therewith. The Town has covenanted in the Bond Resolution to immediately deposit the Federal Direct Subsidy Payments into the Interest Account of the Debt Service Fund. See "SECURITY FOR THE BONDS" and "ADDITIONAL BONDS" herein for information concerning the covenant regarding Electric Utility Tax Revenues and the additional bonds test.

### **SECURITY FOR THE BONDS**

The Series 2010 Bonds and any Additional Bonds or Refunding Bonds hereafter issued under the Bond Resolution from time to time shall be payable from the Pledged Revenues in the manner and to the extent provided in the Bond Resolution. "Pledged Revenues" is defined in the Bond Resolution to include (i) the Electric Utility Tax Revenues, (ii) Investment Earnings and (iii) the moneys on deposit in the Funds and Accounts established pursuant the Bond Resolution, except for the Rebate Fund. For purposes of the Bond Resolution, the "Electric Utility Tax" is that portion of the Public Service Tax (as defined herein) levied and imposed by the Town pursuant to the Public Service Tax Ordinance (as defined herein) and Section 166.231 et seq., Florida Statutes, and any successor ordinances or statutory provisions thereto, on the purchase of electricity within the incorporated area of the Town. The "Electric Utility Tax Revenues," according to the Bond Resolution, are the proceeds of the Electric Utility Tax actually collected and received by the Town. The "Public Service Tax," as defined in the Bond Resolution, is the tax authorized to be levied by municipalities on the purchase of certain utility products by Section 166.231, et seq., Florida Statutes, as the same may be amended from time to time, or any successor statute thereto, and actually levied by the Town pursuant to Ordinance No. 2001-02 enacted by the Town Council on April 24, 2001, as the same may be amended from time to time, or any successor ordinance thereto (the "Public Service Tax Ordinance").

The Bonds are payable from and secured solely by the Electric Utility Tax Revenues. No revenues generated from the imposition of the Public Service Tax, other than Electric Utility Tax Revenues, are pledge for the payment of any Bonds issued under the Bond Resolution. See "ELECTRIC UTILITY TAX REVENUES" herein.

The Town has covenanted in the Bond Resolution that while any of the Bonds issued under the provisions of the Bond Resolution are Outstanding it will not take any action or fail to take any action which might result in a suspension or termination of the receipt of the Electric Utility Tax Revenues and it will take all appropriate action to keep and maintain the Electric Utility Tax at a level which will produce Electric Utility Tax Revenues in each Fiscal Year in an amount not less than 1.25 times the Maximum Principal and Interest Requirements on all Outstanding Bonds. The Town also covenanted in the Bond Resolution that it will not create or permit to be created any charge or lien on the proceeds of the Electric Utility Tax Revenues ranking equally with or prior to the charge or lien on such proceeds of the Bonds issued under

the provisions of the Bond Resolution. See “APPENDIX B – FORM OF BOND RESOLUTION” herein.

### **Reserve Fund**

In each Series Resolution authorizing the issuance of a Series of Bonds under the Bond Resolution, the Town is required to expressly designate the Reserve Fund Requirement, if any, with respect to such Series of Bonds and determine whether such Series of Bonds will be secured by the Reserve Fund or by a separate Reserve Account established therein. See “APPENDIX B – FORM OF THE BOND RESOLUTION” herein.

[Pursuant to the Bond Resolution, the Town has designated the Series 2010 Bonds to be secured by the Reserve Fund]. Upon the issuance of the Series 2010 Bonds, the Town will deposit [\$\_\_\_\_\_ of proceeds of the Series 2010 Bonds/the Town’s funds] to cause the amount on deposit in the Reserve Fund to equal the Reserve Fund Requirement for the Series 2010 Bonds. The Reserve Fund Requirement for the Series 2010 Bonds, as of any particular date of calculation, shall be an amount equal to the lesser of (i) the Maximum Principal and Interest Requirements for the Series 2010 Bonds, (ii) 125% of the average annual Principal and Interest Requirements for the Series 2010 Bonds and (iii) 10% of the original proceeds (within the meaning of the Code) of the Series 2010 Bonds Outstanding.]

Moneys in the Reserve Fund or any Reserve Account therein, and any Reserve Fund Insurance Policies and any Reserve Fund Letters of Credit, if any, in the Reserve Fund are available to be drawn upon under the Bond Resolution and are pledged as security for all Bonds issued under the Bond Resolution and secured by such Reserve Fund, provided, however, if a Reserve Account has been established in the Reserve Fund for a particular Series of Bonds, moneys in such Reserve Account of the Reserve Fund shall be available to be drawn upon under the Bond Resolution and are solely pledged as security for, and will be used only for the purpose of making payments of principal of and interest on the Series of Bonds to which such Reserve Account relates and only when all moneys in any other Fund or Account held pursuant to the Bond Resolution and available for such purpose pursuant to the Bond Resolution are insufficient therefor. Moneys in the Reserve Fund or any Reserve Account therein, will also be used to make payments to the issuers of Reserve Fund Insurance Policies and Reserve Fund Letters of Credit on deposit in such Reserve Fund as described in the Bond Resolution with respect to any payment obligation to the issuer of such policy or letter of credit in connection with a draw on such policy or letter of credit (excluding however any interest obligation that may accrue relating to such draw). All cash on deposit in the Reserve Fund or any Reserve Account therein, shall be utilized prior to drawing under a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit on deposit therein.

Any moneys in the Reserve Fund or any Reserve Account therein in excess of the Reserve Fund Requirement for such Series of Bonds Outstanding shall be transferred to and deposited in the Principal Account and/or the Interest Account; provided, however, that any moneys in the Reserve Fund or any Reserve Account therein in excess of the Reserve Fund Requirement for the applicable Series of Bonds Outstanding as a result of the substitution of a Reserve Fund Insurance Policy or a Reserve Fund Letter of Credit for money on deposit in the

Reserve Fund or any Reserve Account therein may, at the discretion of the Town, be used by the Town for any lawful purposes.

### **Limited Obligations**

THE BONDS ARE LIMITED OBLIGATIONS OF THE TOWN PAYABLE SOLELY FROM THE PLEDGED REVENUES. NEITHER THE FAITH AND CREDIT OF THE STATE OF FLORIDA NOR THE FAITH AND CREDIT OF ANY AGENCY OR POLITICAL SUBDIVISION THEREOF OR OF THE TOWN ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE BONDS. THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF FLORIDA OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF OR THE TOWN TO LEVY ANY AD VALOREM TAXES WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE PLEDGED REVENUES.

## **ADDITIONAL BONDS**

### **General**

The Bond Resolution provides for the issuance of Additional Bonds and Refunding Bonds. Except as to any Credit Facility or Insurance Policy and as to any difference in the maturities thereof or the rate or rates of interest or the provisions for redemption and except for such differences, if any, respecting the use of moneys in the various Funds and Accounts created under the Bond Resolution, any such Series of Additional Bonds or Refunding Bonds will be secured by and payable from the Pledged Revenues on a parity with, and shall be entitled to the same benefit and security of the Bond Resolution, as the Series 2010 Bonds and all other Bonds theretofore or thereafter issued under the Bond Resolution.

### **Additional Bonds**

The Bond Resolution authorizes the issuance, from time to time, of one or more Series of Additional Bonds of the Town under and secured by the Bond Resolution, on a parity as to the pledge of the Pledged Revenues with the Series 2010 Bonds and any other Series of Additional Bonds or Refunding Bonds theretofore issued under and secured by the Bond Resolution and then Outstanding, subject to the conditions hereinafter provided in the Bond Resolution, for the purpose of paying all or any part of the cost of any capital improvements for Projects authorized by a Series Authorizing Ordinance and a Series Resolution as provided in the Bond Resolution. All of the conditions precedent to the issuance of Additional Bonds contained in the Bond Resolution must be met, prior to any Additional Bonds being issued. In addition, to certain other conditions enumerated in the Bond Resolution, prior to the issuance of any Additional Bonds, the Town must file with the Town Manager:

- (a) a certificate of the Finance Director demonstrating that the percentage derived by dividing the amount of the Electric Utility Tax Revenues received by the Town during any twelve (12) consecutive months in the eighteen (18) months next preceding the date of delivery of the Additional Bonds then requested to be delivered, by the Maximum Principal and Interest Requirements,

including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred twenty-five per centum (125%);

In determining the calculations required for the delivery of the certificate described in this paragraph (a), if the rates for the Electric Utility Tax have been revised by the Town or by general law applicable thereto, and such revision of such rates have gone into effect prior to the issuance of such Additional Bonds, the amount of the Electric Utility Tax Revenues which would have been realized during the twelve (12) consecutive month period required to be examined and reported upon in said certificate had such revised rates gone into effect or such additional revenues had been pledged on the first day of such period may be used by the Finance Director.

(b) a certificate of the Finance Director to the effect that no event of default, as defined in the Bond Resolution and no event which with the passage of time, the giving of notice or both would become an event of default, has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing.

See “APPENDIX B – FORM OF THE BOND RESOLUTION” attached hereto for the other requirements and conditions to the issuance of Additional Bonds.

### **Refunding Bonds**

The Bond Resolution authorizes the issuance, from time to time, of one or more Series of Refunding Bonds of the Town under and secured by the Bond Resolution. Subject to the conditions provided in the Bond Resolution, Refunding Bonds may be issued for the purpose of providing funds for refunding all or any Bonds of any one or more Series of Bonds then Outstanding, including the payment of any redemption premium thereon and interest that will accrue on such Bonds to the redemption date or stated maturity date or dates, funding any Funds and Accounts under the Bond Resolution and paying any expenses in connection with such refunding and for any related lawful purpose. All of the conditions precedent to the issuance of Refunding Bonds contained in the Bond Resolution must be met, prior to any Refunding Bonds being issued. See “APPENDIX B – FORM OF THE BOND RESOLUTION” attached hereto for the requirements and conditions to the issuance of Refunding Bonds.

### **FLOW OF FUNDS**

The Bond Resolution creates the “Town of Miami Lakes Special Obligation Bonds Debt Service Fund” (the “Debt Service Fund”) with two accounts therein designated (i) the “Principal Account” (the “Principal Account”) and (ii) the “Interest Account” (the “Interest Account”), and the “Town of Miami Lakes Special Obligation Bonds Reserve Fund” (the “Reserve Fund”), all of which are held in trust by the Paying Agent. The Bond Resolution also creates the “Town of Miami Lakes Special Obligation Bonds Electric Utility Tax Revenues Fund” (the “Electric Utility Tax Revenues Fund”) and the “Town of Miami Lakes Special Obligation Rebate Fund” (the “Rebate Fund”), which funds shall be held in trust by the Town. All moneys held in the

funds and accounts established under the Bond Resolution (collectively, the “Funds and Accounts”), except the Rebate Fund, are held in trust and, pending the application of such moneys as hereinafter provided, such moneys are subject to a lien and charge in favor of the Holders of the Bonds, any Credit Banks and any Insurers.

The Town shall cause the Finance Director to deposit all revenues generated from the Electric Utility Tax as the same are collected, to the credit of the Electric Utility Tax Revenues Fund. The Town shall then transfer the Electric Utility Tax Revenues from such Electric Utility Tax Revenues Fund to the Rebate Fund, the Interest Account and the Principal Account of the Debt Service Fund, and the Reserve Fund and apply the same to the payment of required arbitrage rebate payments, if any, the interest on and the principal of the Bonds, Hedge Obligations, if any, and to the extent necessary, if any, to the Reserve Fund and all the fees and expenses payable from the Expense Account (as described in the Bond Resolution), all in accordance with the provisions of the Bond Resolution. Any balance after meeting the foregoing requirements as to each Series of Bonds will be deposited as provided in the Bond Resolution.

On or before the Business Day preceding any date on which arbitrage rebate payments under the Code are required to be made, the Finance Director shall withdraw moneys from either the Electric Utility Tax Revenues Fund or, at the discretion of the Finance Director, from any other available funds of the Town, and deposit to the credit of the Rebate Fund such amounts as directed by the Town to make such arbitrage rebate payments required under the Bond Resolution.

Upon receipt, the Finance Director shall deposit any Hedge Receipts to the credit of the Interest Account.

On or before the twenty-fifth (25th) day of each month, commencing in the month in which the Series 2010 Bonds are issued, the Finance Director shall withdraw from the Electric Utility Tax Revenues Fund an amount equal to the amount then held for the credit of the Electric Utility Tax Revenues Fund or such lesser amount as shall be required to fund the deposit requirements set forth in paragraphs (a), (b), (c) and (d) below, and apply the moneys so withdrawn to make the following payments and deposits in the following order:

(a) Deposit to the credit of the Interest Account an amount equal to one-sixth (1/6th) of the interest becoming due on the Bonds on the next semiannual Interest Payment Date; provided, however, that the amount so deposited on account of interest in each month after the delivery of the Bonds of any Series up to and including the month immediately preceding the first Interest Payment Date thereafter of the Bonds of such Series shall be that amount that when multiplied by the number of such deposits will be equal to the amount of interest payable on such Bonds on such first Interest Payment Date less the amount of any accrued interest paid or capitalized interest on such Bonds and deposited to the credit of the Interest Account;

(b) Deposit to the credit of the Principal Account an amount equal to the sum of (i) one-twelfth (1/12th) of the principal of Serial Bonds, if any, that will mature and become due on the next annual maturity date and (ii) one-twelfth



(1/12th) of the Amortization Requirements, if any, that will become due and payable on Term Bonds within the next Fiscal Year, such deposits to commence in such month or to be adjusted in such amounts as will ensure that on the dates such principal or Amortization Requirements are due and payable sufficient moneys will be on deposit in the Principal Account.

Notwithstanding the foregoing, moneys shall not be required to be deposited to the credit of (i) the Interest Account pursuant to paragraph (a) above if the amount then to the credit thereof, together with the amount of interest subsidy payments expected to be paid by the United States Treasury to the Town prior to the next Interest Payment Date on account of any Bonds issued as Build America Bonds (Direct Payment) is equal to the interest becoming due and payable on the Bonds on the next Interest Payment Date, and (ii) the Principal Account pursuant to paragraph (b) above if the amount then to the credit thereof is equal to the sum of (A) the principal of Serial Bonds maturing on the next maturity date and (B) the Amortization Requirement for such Fiscal Year on account of the Term Bonds Outstanding.

If the period between Interest Payment Dates is other than six (6) months or the period between principal payment dates is other than twelve (12) months, then such monthly deposits shall be increased or decreased, as appropriate, in sufficient amounts to provide the required interest amount coming due on the next Interest Payment Date or the principal amount maturing or Amortization Requirement due on the next principal payment date or redemption date, as applicable. Provided, further that such amounts to be deposited shall be adjusted to provide for any Hedge Obligations then due to a Hedge Counterparty (excluding any Hedge Termination Payment).

(c) Deposit to the credit of the Reserve Fund (or each Reserve Account within the Reserve Fund to the extent that a Reserve Account has been established within the Reserve Fund for a particular Series of Bonds), without priority of one Reserve Account over another, if any, beginning with respect to each Series of Bonds for which a Reserve Fund Requirement has been established, on the twenty-fifth (25th) day of the month as provided above, such sums as shall be at least sufficient to pay an amount equal to one-twelfth (1/12th) of the difference between the amount, if any, on deposit in the Reserve Fund or Reserve Account therein as applicable (including any Reserve Fund Insurance Policy or any Reserve Fund Letter of Credit) and the increase in the amount required to be held therein due to such Reserve Fund Requirement, if any, for such Series of Bonds, and, provided, however, that no payments shall be required to be made into the Reserve Fund or Reserve Account therein, whenever and as long as the amount deposited therein (including any Reserve Fund Insurance Policy or Reserve Fund Letter of Credit) shall be equal to all of the Reserve Fund Requirements for all Series of Bonds to which such Reserve Fund or Reserve Account therein relates.

Notwithstanding the foregoing provisions, in lieu of or in substitution for the required deposits, if any, under the Bond Resolution (including existing deposits) into the Reserve Fund or Reserve Account therein, the Town may cause to be deposited into the Reserve Fund or any Reserve Account therein for any Series of Bonds, a Reserve Fund Insurance Policy or a Reserve Fund Letter of Credit for the benefit of the Holders of such Series of Bonds in an amount equal to the difference between the Reserve Fund Requirement and the sums to remain on deposit in the Reserve Fund or Reserve Account thereafter the deposit of such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, if any, which Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be payable or available to be drawn upon, as the case may be (upon the giving of notice as required thereunder), on any Interest Payment Date on which a deficiency exists with respect to the applicable Series of Bonds which cannot be cured by all moneys in any Fund or Account, including any applicable Reserve Account, held pursuant to the Bond Resolution and available for such purpose. If a disbursement is made under a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, the Town shall be obligated to either reinstate the maximum limits of such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit within twelve (12) months following such disbursement or to deposit into the Reserve Fund or Reserve Account, as applicable, as provided in the next paragraph, funds in the amount of the disbursements made under such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, or a combination of such alternatives.

In the event that any moneys shall be withdrawn from the Reserve Fund or any applicable Reserve Account therein for payments into the Interest Account and/or the Principal Account, such withdrawals shall be subsequently restored in the manner described in the first subparagraph of this paragraph (c) from the Electric Utility Tax Revenues available after all required payments have been made into the Interest Account and the Principal Account, including any deficiencies for prior payments, unless restored by the reinstatement of the maximum limits of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit (without priority of one Reserve Account over another, if any).

In the event that a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be drawn upon, the principal portion of the related payment obligations to the issuer of such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be paid after all required payments have been made to the Principal Account, including any deficiencies for prior payments, in accordance with the terms of any agreement between the Town and such issuer, on a parity and on a pro-rata basis with all other obligations payable under this paragraph (c) to other issuers of any Reserve Fund Letter of Credit or Reserve Fund Insurance Policy and cash funding requirements to the different Reserve Accounts established for any Series of Bonds but prior to making any cash deposits to the Reserve Account to which such Reserve Account Insurance Policy or Reserve Account Letter of Credit relates, if any, provided that such Reserve Fund

Insurance Policy or Reserve Fund Letter of Credit is reinstated in the amount of such payment concurrently with the receipt of such payment by the issuer thereof.

(d) Any balance remaining in the Electric Utility Tax Revenues Fund after satisfying the requirements of paragraphs (a), (b) and (c) above shall be used or deposited to the credit of the Expense Account in an amount sufficient to pay (i) the fees, interest and other amounts owing any issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, (ii) any fees and expenses of Fiduciaries or Hedge Counterparties coming due in such month and any other administrative fees and expenses coming due in such month with respect to the Series 2010 Bonds, (iii) any costs of issuance of the Series 2010 Bonds that remain to be paid, and (iv) any Hedge Termination Payment that is due.

(e) Any such balance remaining in the Electric Utility Tax Revenues Fund after making the withdrawals and satisfying the requirements mentioned in paragraphs (a), (b), (c) and (d) above shall be deposited to pay principal and interest on Subordinated Indebtedness in the manner provided in the resolution authorizing such Subordinated Indebtedness, if any.

If the moneys withdrawn for deposits to the above Funds and Accounts and for making the other required payments as above set forth shall not be sufficient to make such deposits and payments, the requirements in each month thereafter for each of the above deposits and payments for which the required monthly deposit or payment has not been made shall be cumulative and the amount of any deficiency in any such monthly deposit or payment shall be added to the amount otherwise required to be deposited in each month thereafter until such time as such deficiency shall have been made up.

The balance, if any, remaining to the credit of the Electric Utility Tax Revenues Fund after making the withdrawals and satisfying the requirements mentioned in paragraphs (a), (b), (c), (d) and (e) above in any calendar month shall be withdrawn and deposited to the Town's general fund and may be used for any lawful purpose of the Town.

## **ELECTRIC UTILITY TAX REVENUES**

THE SERIES 2010 BONDS ARE SECURED SOLELY BY AND PAYABLE FROM THE ELECTRIC UTILITY TAX REVENUES. THE FOLLOWING INFORMATION REGARDING THE ELECTRIC UTILITY TAX REVENUES AND THE PUBLIC SERVICE TAX, FROM WHICH THE ELECTRIC UTILITY TAX REVENUES ARE DERIVED, IDENTIFIES ADDITIONAL REVENUES DERIVED FROM THE IMPOSITION OF THE PUBLIC SERVICE TAX ON PURCHASES OF UTILITY SERVICES OTHER THAN ELECTRICITY. PUBLIC SERVICE TAX REVENUES THAT DO NOT CONSTITUTE ELECTRIC UTILITY TAX REVENUES DO NOT SECURE AND ARE NOT PLEDGED FOR THE PAYMENT OF THE SERIES 2010 BONDS.

### **Public Service Tax**

Electric Utility Tax Revenues are the proceeds of that portion of the Public Service Tax levied and imposed by the Town pursuant to the Public Service Tax Ordinance and Section

166.231 et seq., Florida Statutes, and any successor ordinances or statutory provisions thereto, on the purchase of electricity within the incorporated area of the Town. The Public Service Tax is imposed, levied and collected by the Town pursuant to Section 166.231, Florida Statutes, and other applicable provisions of law, on the purchase of electricity, fuel oil, metered or bottled gas (natural liquefied petroleum gas or manufactured), water service, and other services on which a tax may be imposed by law.

Florida law authorizes any municipality in the State to levy a Public Service Tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, water service and fuel oil as well as any services competitive with those specifically enumerated. This tax may not exceed 10% of the payments received by the sellers of such services from purchasers (except in the case of fuel oil, for which the maximum tax is four cents per gallon). The purchase of natural gas or fuel oil by a public or private utility either for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines, is exempt from the levy of such tax.

Pursuant to the Constitution of the State, Florida Statutes and the Public Service Tax Ordinance, the Town levies a Public Service Tax, within the incorporated area of the Town at the rate of 10% on sales of all services for which it is allowed to tax, and with the restriction that the tax on fuel oil cannot exceed 4 cents per gallon. Public Service Tax revenues derived from the levy and imposition of the Public Service Tax on purchases of metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, water service and fuel oil and any services competitive with those specifically enumerated, do not constitute Electric Utility Tax Revenues and are not pledged for the payment of the Bonds.

Florida law provides that a municipality may exempt from the Public Service Tax the first 500 kilowatts of electricity per month purchased for residential use. The Town has not adopted such an exemption but it does exempt purchases by the United States Government, the State, Miami-Dade County, the Town and its agencies, boards, commissions and authorities from the levy of such tax. In addition, the Town exempts purchases used exclusively for church purposes by any State recognized church.

The Public Service Tax must be collected by the seller from purchasers at the time of sale and remitted to the Town. Such tax appears on a periodic bill rendered to consumers for electricity, metered and bottled gas, water service and fuel oil. A failure by a consumer to pay that portion of the bill attributable to the Public Service Tax may result in a suspension of the service involved in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

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## Historical Collections of the Electric Utility Tax Revenues

The following table provides the Town's historical collections for the Electric Utility Tax Revenues for Fiscal Years ended September 30, 2006 through 2010.

**TOWN OF MIAMI LAKES, FLORIDA  
ELECTRIC UTILITY TAX REVENUES  
HISTORICAL COLLECTIONS  
FISCAL YEARS ENDED SEPTEMBER 30, 2006 THROUGH 2010**

<u>Fiscal Year</u>	<u>Collections</u>	<u>% Change</u>
2006	\$2,180,288	--
2007	2,119,404	(2.79)%
2008	2,235,430	5.47
2009	2,255,833	0.91
2010	2,403,604	6.55

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Source: Town of Miami Lakes, Florida.

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## DEBT SERVICE SCHEDULE

The following table shows the estimated principal and interest requirements for the Series 2010 Bonds.

<u>Fiscal Year</u>	<u>Series 2010A Bonds</u>			<u>Series 2010B Bonds</u>			<u>Series 2010 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service<sup>(1)</sup></u>	<u>Total Debt Service<sup>(1)</sup></u>	<u>Federal Direct Subsidy Payment<sup>(2)</sup></u>	<u>Net Total Debt Service<sup>(2)</sup></u>
2011									
2012									
2013									
2014									
2015									
2016									
2017									
2018									
2019									
2020									
2021									
2022									
2023									
2024									
2025									
2026									
2027									
2028									
2029									
2030									
2031									
2032									
2033									
2034									
2035									
2036									
2037									
2038									
2039									
2040									
<b>TOTAL</b>									

<sup>(1)</sup> Does not include the Federal Direct Subsidy Payments expected to be received with respect to the Series 2010B Bonds.

<sup>(2)</sup> The Federal Direct Subsidy Payments are not guaranteed to be received by the Town. In the event the Federal Direct Subsidy Payments are reduced, eliminated or delayed, the Town is still obligated to make the full debt service payment on the Series 2010B Bonds. The Town has covenanted in the Bond Resolution to immediately deposit all Federal Direct Subsidy Payments received with respect to the Series 2010B Bonds into the Interest Account of the Debt Service Fund. See "SECURITY FOR THE BONDS" and "BUILD AMERICA BONDS" herein for more information regarding the Federal Direct Subsidy Payments and the associated risks.

## **PRO FORMA DEBT SERVICE COVERAGE**

The following table shows the estimated Maximum Principal and Interest Requirement for the Series 2010 Bonds, which takes into account the Federal Direct Subsidy Payments expected to be received in connection with the Series 2010B Bonds, and the resulting pro-forma debt service coverage calculated based on Electric Utility Tax Revenue collections for the Fiscal Year ended September 30, 2010.

Maximum Principal and Interest Requirements for Series 2010 Bonds <sup>(1)</sup>	\$ _____
Electric Utility Tax Revenues for Fiscal Year 2010 <sup>(2)</sup>	\$2,403,604 <sup>(3)</sup>
Percentage of Coverage <sup>(4)</sup>	_____ %

<sup>(1)</sup> Federal Direct Subsidy Payments anticipated to be received in connection with the Series 2010B Bonds are deducted from the debt service requirements of the Series 2010B Bonds for purposes of calculating Maximum Principal and Interest Requirements on the Series 2010 Bonds.

<sup>(2)</sup> For purposes of the Bond Resolution, Electric Utility Tax Revenues are the proceeds of the Electric Utility Tax that are actually collected and received by the Town. The Town can make no assurance that the amount of Electric Utility Tax Revenues for future fiscal years will equal those collected in Fiscal Year 2010. See "SECURITY FOR THE BONDS" and "ELECTRIC UTILITY TAX REVENUES" herein for information regarding the Town's covenant regarding Electric Utility Tax Revenue and a description of the Electric Utility Tax Revenues.

<sup>(3)</sup> Unaudited.

<sup>(4)</sup> The additional bonds test set forth in the Bond Resolution requires Electric Utility Tax Revenues to be at least 125% of the Maximum Principal and Interest Requirements of the Outstanding Bonds and any Additional Bonds proposed to be issued.

## **TOWN OF MIAMI LAKES**

### **General**

Located in the northwest corner of Miami-Dade County, Florida (the "County"), the Town of Miami Lakes was incorporated on December 5, 2000 and is one of the youngest municipalities in the County. With an area of approximately 6.6 square miles, the Town is home to approximately 27,000 residents and 1,190 businesses.

### **Management of the Town**

The Town operates under a Mayor-Council-Manager form of government pursuant to which the Town Council appoints the Town Manager. The Town Council is vested with all legislative powers of the Town, and consists of the Mayor and six members, four residential seats and two at-large. The Mayor's seat is elected at-large for a four-year term. The Mayor is a voting member of the Council.

The Mayor of the Town is Michael A. Pizzi, Jr. whose term expires in November 2012.

The current members of the Town Council and expiration of their current terms of office are:

<u>Council Members</u>	<u>Date Term Expires</u>
Nick Perdomo, Vice Mayor (Seat 1)	November 2012
Tim Daubert (Seat 2)	November 2014
Richard Pulido (Seat 3)	November 2012
Nelson Hernandez (Seat 4)	November 2014
Cesar Mestre (At Large)	November 2014
Mary Collins (At Large)	November 2012

The Town operates through seven departments: Finance, Budget and Administration, Parks and Recreation, Building, Planning and Zoning, Police and Public Works. With only 27 fulltime staff members, the Town also relies on contractors for the provision of various public services. None of the Town's staff belong to unions.

*Town Manager.* Mr. Alex Rey was born in San Salvador, El Salvador. He moved to the United States at the age of 18 to attend college at Oklahoma State University, where he graduated with an Industrial Engineering Degree. Mr. Rey served Miami-Dade County for 20 years in various capacities including Assistant Director for Miami-Dade Transit and Assistant Director for the Office of Management and Budget. Mr. Rey began serving as Town Manager of the Town of Miami Lakes in October 2002 and served the community for six years before going to lead the City of Miami Beach's Building Department. For 2 years Mr. Rey oversaw the overhaul of the Building Department in the City of Miami Beach. In September 2010, the veteran administrator returned to his old post as Town Manager of Miami Lakes.

*Finance Director.* Ms. Amber Riviere, Director of the Town's Budget and Administration Department, currently serves as the interim Finance Director.

### **Budget Policy**

Prior to July 30 of each year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing on the following October 1. The operating budget includes proposed appropriations and the proposed means of financing such appropriations. Public hearings are then held to obtain taxpayers comments. Prior to October 1, the budget is legally enacted by passage of an ordinance by the Town Council. The Town Council approves by ordinance the level at which expenditures may not exceed budgeted amounts. The Town Manager is authorized to transfer budgeted amounts within individual departments to a limit of \$300 per transaction. Any revisions that alter the total expenditures of any appropriation center within a fund must be approved by the Town Council.

### **Investment Policy**

The Town has not adopted a formal investment policy. The Town adheres to the investment guidance provided in Section 218.415, Florida Statutes, which authorizes local



governments to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, which include the Local Government Surplus Trust Fund administered by the State Board of Administration (the “SBA”). As of September 30, 2010 the Town’s investments consisted of the following.

<u>Investment Type</u>	<u>Value as of September 30, 2010</u>
Certificates of Deposit	\$ 635,336
Money Market	1,029,566
SBA Fund A	3,238,176
SBA Fund B	43,991
Total	<u>\$4,947,069</u>

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Source: Town of Miami Lakes, Florida.

There are certain restrictions on the investment of funds held under the Bond Resolution. See "APPENDIX B – FORM OF THE BOND RESOLUTION" attached hereto.

### **Management Discussion and Analysis**

#### *Fiscal Years 2009 and 2010*

At the end of Fiscal Year 2009, the Town had a surplus of \$2.9 million, which was mainly the result of the elimination of the Town’s mitigation payment to Miami-Dade County (approximately \$1.7 million). The Town was previously required to make mitigation payments on an annual basis as a condition of the Town’s original incorporation agreement. The County agreed to eliminate the mitigation payment during Fiscal Year 2009. Additionally, the Town received approximately \$1 million in hurricane grant funds from FEMA.

At the end of Fiscal Year 2010, the Town was well positioned with approximately \$1.552 million in General Fund surplus funds. This surplus is due to a combination of (i) revenue surplus in utility taxes (\$637,000), communications service and local business taxes (\$99,577), building permits (\$290,836), and (ii) the collection of hurricane reimbursements (\$204,521). In addition, savings were achieved on the expenditure side, in some cases, due to the lack of forward motion on many of the Town’s adopted capital plans and projects, including new park enhancements, roadway and stormwater maintenance, and the installation of bus shelters.

#### *Budget for Fiscal Year 2011*

The Town continues to have one of the lowest millage rates in Miami-Dade County. Over the last five years, the Town has implemented millage reductions, resulting in a reduction of the millage rate from 3.057 to a new proposed millage of 2.3702, which is the third lowest millage rate in Miami-Dade County. Overall, this is a millage reduction of 0.68 mills. At the same time, however, the quality and quantity of the services provided by the Town have

increased. The Town's total budgeted operating revenue is \$15,261,075 and budgeted departmental operating expenses are \$14,771,088.

### **General Fund**

The following is a statement of revenues, expenses and changes in fund balance for the General Fund for the past five Fiscal Years, which reflects revenues of the Town that are not pledged for the payment of the Series 2010 Bonds. The Series 2010 Bonds and any Additional Bonds hereafter issued under the Bond Resolution are solely secured by and payable from the Pledged Revenues.

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**TOWN OF MIAMI LAKES, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – GENERAL FUND<sup>(1)</sup>**

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<b>REVENUES:</b>					
Ad valorem taxes	\$7,064,767	\$7,706,385	\$7,427,746	\$7,433,753	\$6,572,134
Utility taxes <sup>(2)(3)</sup>	4,014,734	2,461,479	2,533,824	2,560,676	2,730,389
Franchise fees	1,584,345	2,079,921	2,001,376	1,967,915	2,008,171
Communication services tax <sup>(3)</sup>	-	1,490,228	1,491,360	1,776,558	1,560,902
Licenses and permits	1,163,289	1,246,495	1,011,605	811,904	1,098,041
Intergovernmental	7,678,625	2,427,480	2,405,317	3,404,041	2,266,934
Fines and forfeitures	318,949	276,784	373,576	305,395	257,927
Others	32,013	58,414	196,388	154,789	28,776
Investment income	<u>269,404</u>	<u>298,891</u>	<u>228,856</u>	<u>73,632</u>	<u>63,571</u>
Total revenues	<u>22,126,126</u>	<u>18,046,077</u>	<u>17,670,048</u>	<u>18,488,663</u>	<u>16,586,845</u>
<b>EXPENDITURES:</b>					
Current:					
General government:					
Town council	207,189	265,712	257,576	206,114	191,879
Town administration and finance	1,849,242	1,963,511	2,297,109	2,169,543	2,003,924
Legal	<u>366,957</u>	<u>454,641</u>	<u>481,727</u>	<u>669,680</u>	<u>460,774</u>
Total general government	<u>2,423,388</u>	<u>2,683,864</u>	<u>3,036,412</u>	<u>3,045,337</u>	<u>2,656,577</u>
Public safety:					
Police	6,043,220	6,183,817	6,652,611	6,522,952	6,554,129
Parks and recreation	2,562,829	2,474,116	2,488,718	2,318,685	2,272,225
Public works	6,753,723	1,861,773	2,039,917	1,641,441	907,599
Comprehensive planning	1,589,038	1,619,406	1,697,387	1,802,792	1,619,772
Nondepartmental					
Debt service:					
Principal		-	57,348	119,238	123,724
Interest		-	11,397	19,456	14,971
Capital outlay	<u>228,802</u>	<u>459,241</u>	<u>382,474</u>	<u>101,938</u>	<u>32,505</u>
Total expenditures	<u>21,450,245</u>	<u>17,213,768</u>	<u>16,366,264</u>	<u>15,571,839</u>	<u>14,181,502</u>
Excess (deficiency) of revenues over expenditures	<u>675,881</u>	<u>832,309</u>	<u>1,303,784</u>	<u>2,916,824</u>	<u>2,405,343</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from debt issuance		310,605	319,746		
Transfers in	-	-	-	-	-
Transfers out	<u>(493,589)</u>	<u>(917,640)</u>	<u>(84,500)</u>	-	<u>(853,158)</u>
Total other financing sources (uses)	<u>(493,589)</u>	<u>(607,035)</u>	<u>235,246</u>	-	<u>(853,158)</u>
Net change in fund balances	182,292	225,274	1,539,030	2,916,824	1,552,185
Fund balance, beginning	<u>3,393,391</u>	<u>3,575,683</u>	<u>3,800,957</u>	<u>5,339,987</u>	<u>8,256,811</u>
Fund balance, ending	<u>\$3,575,683</u>	<u>\$3,800,957</u>	<u>\$5,339,987</u>	<u>\$8,256,811</u>	<u>\$9,808,996</u>

<sup>(1)</sup> Audited numbers for Fiscal Years 2006 through 2009 were extracted from the Town's audited Financial Statements for Fiscal Years 2006 through 2009. Unaudited numbers for Fiscal Year 2010 were obtained from the Town.

<sup>(2)</sup> Electric Utility Tax Revenues constitute a component of the "Utilities taxes" revenues shown above. The portion of utilities taxes revenues that do not constitute Electric Utility Tax Revenues are not pledged for the payment of the Bonds. See "ELECTRIC UTILITY TAX REVENUES – Historical Collections of the Electric Utility Tax Revenues" herein.

<sup>(3)</sup> In Fiscal Year 2006 Communication service taxes were included as part of utilities taxes. Thereafter communication service taxes have been segregated as their own line item.

## **Pension Plan**

The Town participates in the State of Florida Retirement System (the "FRS"), a cost sharing, multiple-employer public employee retirement system, which (since January 1, 2004) covers all of the Town's employees. The FRS was established in 1970, by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970 and those employed prior to 1970 that elect to be enrolled, are covered by the FRS.

Benefit provisions and all other requirements are established by Article X, Section of the Florida Constitution and Chapter 121, Florida Statutes and any amendments thereto can be made only by an act of the Florida legislature. Employees of the FRS may participate in either the Public Employer Optional Retirement Program (the "Investment Plan"), a defined contribution retirement program or in the defined benefit retirement plan (the "Pension Plan").

Employee plan members participating in the Pension Plan have their benefits computed on the basis of age, average of the highest five years of compensation and service credit. Benefits under the Pension Plan vest after six years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. A post-retirement health insurance subsidy is also provided to eligible retirees employees through the FRS defined benefits retirement plan.

Employees do not make contributions. The Town's contribution rates for Fiscal Year 2011 are 10.77% for regular class employees and 14.57% for senior management class employees. Payment obligations are budgeted by department. The Town's total budgeted contribution for Fiscal Year 2011 is \$322,043. The Town has always met its FRS contribution requirements.

## **LITIGATION AND OTHER MATTERS**

There is not now pending or, to the knowledge of the Town, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2010 Bonds, revenues pledged for the payment of such Series 2010 Bonds or questioning or affecting the validity of the Series 2010 Bonds, the revenues pledged for the payment of the Series 2010 Bonds or the proceedings and authority under which the Series 2010 Bonds are to be issued. Neither the creation, organization or existence, nor the title of the present members of the Town Council or other officers of the Town to their respective offices is being contested, except as disclosed below. The Town from time to time engages in certain routine litigation, the outcome of which is not expected to have any material adverse effect on the issuance and delivery of the Series 2010 Bonds.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Holders of the Series 2010 Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions, which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code),

the remedies provided with respect to the Series 2010 Bonds under the Bond Resolution may not be readily available or may be limited. The various legal opinions delivered or to be delivered concurrently with the delivery of the Series 2010 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Pursuant to the Bond Resolution, upon the occurrence and continuation of any Event of Default, the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding may proceed to protect and enforce the rights of the Holders under the laws of the State of Florida and the Bond Resolution 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 Bond Resolution or in aid of execution of any power granted therein or for the enforcement of any proper legal or equitable remedy. See "APPENDIX B – FORM OF THE BOND RESOLUTION" attached hereto.

### **LEGAL MATTERS**

Certain legal matters incident to the validity of the Series 2010 Bonds and the issuance thereof by the Town are subject to the approval of Squire, Sanders & Dempsey L.L.P., Miami, Florida, Bond Counsel, whose approving opinion (in substantially the form attached hereto as APPENDIX C) will be delivered concurrently with the issuance of the Series 2010 Bonds. Bond Counsel has not undertaken to verify and therefore expresses no opinion as to the accuracy, completeness or sufficiency of any of the information or statements contained in this Official Statement or any exhibits, schedules or appendices hereto, except that Bond Counsel will state to the Underwriter at closing that it has reviewed the information in the sections hereof entitled "DESCRIPTION OF THE SERIES 2010 BONDS," (other than the information contained under the caption "Book-Entry-Only System" as to which no opinion will be expressed), "SECURITY FOR THE BONDS," "ADDITIONAL BONDS," "FLOW OF FUNDS," "ENFORCEABILITY OF REMEDIES," and in APPENDIX B - "FORM OF THE BOND RESOLUTION" and to the extent such statements purport to summarize certain provisions of the Bond Resolution, such statements are fair and accurate summaries of the provisions of the Bond Resolution purported to be summarized. Bond Counsel will also state that it has reviewed the information under the caption "TAX MATTERS" and that the statements contained therein are accurate.

Certain legal matters will be passed upon for the Town by Weiss Serota Helfman Pastoriza Cole & Boniske, P.L., Coral Gables, Florida, Town Attorney.

The proposed text of the legal opinion of Bond Counsel is attached hereto as APPENDIX C. The actual legal opinion to be delivered may vary from the text of APPENDIX C, if necessary, to reflect facts and law on the date of delivery of the Series 2010 Bonds. The opinion will speak only as of its date and subsequent distribution of such opinion by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of such opinion Bond Counsel has affirmed its opinion.

The opinion of Bond Counsel will be limited to matters relating to the authorization and validity of the Series 2010 Bonds and the tax-exempt status of interest on the Series 2010A Bonds,

as described under the caption "TAX MATTERS" herein and will make no statement regarding the accuracy or completeness of this Official Statement.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law, which may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2010 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **TAX MATTERS**

### **Series 2010A Bonds**

#### *General*

In the opinion of Squire, Sanders & Dempsey L.L.P., Bond Counsel, under existing law: (i) interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Series 2010A Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2010A Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Town contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2010A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the Town's representations and certifications or the continuing compliance with the Town's covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2010A Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Town may cause loss of such status and result in the interest on the Series 2010A Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2010A Bonds. The Town has covenanted to take the actions required of it for the interest on the Series 2010A Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2010A Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2010A Bonds or the market value of the Series 2010A Bonds.

Under the Code, interest on the Series 2010A Bonds is excluded from the calculation of a corporation's adjusted current earnings for purposes of the corporate alternative minimum tax. In addition, interest on the Series 2010A Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2010A Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2010A Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2010A Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed the outcome of which could modify the tax treatment of obligations such as the Series 2010A Bonds. There can be no assurance that legislation enacted or proposed, or action by a court, after the date of issuance of the Series 2010A Bonds, will not have an adverse effect on the tax status of interest on the Series 2010A Bonds or the market value of the Series 2010A Bonds.

Prospective purchasers of the Series 2010A Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, and prospective purchasers of the Series 2010A Bonds at other than their original issuance at the respective prices indicated on the inside cover page of this Official Statement should also consult

their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Bond Counsel's engagement with respect to the Series 2010A Bonds ends with the issuance of the Series 2010A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Town or the beneficial owners regarding the tax status of interest on the Series 2010A Bonds in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2010A Bonds, under current IRS procedures, the IRS will treat the Town as the taxpayer and the beneficial owners of the Series 2010A Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2010A Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2010A Bonds.

#### *Original Issue Discount and Original Issue Premium*

Certain of the Series 2010A Bonds ("Series 2010A Discount Bonds") as indicated on the inside cover page of this Official Statement were offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Series 2010A Discount Bond. The issue price of a Series 2010A Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Series 2010A Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Series 2010A Discount Bond 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 period of ownership of a Series 2010A Discount Bond (i) is interest excluded from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2010A Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Series 2010A Discount Bond. A purchaser of a Series 2010A Discount Bond in the initial public offering at the price for that Series 2010A Discount Bond stated on the inside cover page of this Official Statement who holds that Series 2010A Discount Bond to maturity will realize no gain or loss upon the retirement of that Series 2010A Discount Bond.

Certain of the Series 2010A Bonds ("Series 2010A Premium Bonds") as indicated on the inside cover page of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Series 2010A Premium Bond, based on the yield to maturity of that Series 2010A Premium Bond (or, in the case of a Series 2010A Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Series 2010A Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Series 2010A Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including



redemption at maturity) or other disposition of a Series 2010A Premium Bond, the owner's tax basis in the Series 2010A Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Series 2010A Premium Bond for an amount equal to or less than the amount paid by the owner for that Series 2010A Premium Bond. A purchaser of a Series 2010A Premium Bond in the initial public offering at the price for that Series 2010A Premium Bond stated on the inside cover page of this Official Statement who holds that Series 2010A Premium Bond to maturity (or, in the case of a callable Series 2010A Premium Bond, to its earlier call date that results in the lowest yield on that Series 2010A Premium Bond) will realize no gain or loss upon the retirement of that Series 2010A Premium Bond.

Owners of Series 2010A Discount Bonds and Series 2010A Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Series 2010A Discount Bonds or Series 2010A Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

## **Series 2010B Bonds**

### *General*

The Series 2010B Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. An opinion to those effects will be included in the legal opinion. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2010B Bonds. **INTEREST ON THE SERIES 2010B BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. THE LEGAL DEFEASANCE OF THE SERIES 2010B BONDS MAY RESULT IN A DEEMED SALE OR EXCHANGE OF THE SERIES 2010B BONDS UNDER CERTAIN CIRCUMSTANCES; OWNERS OF THE SERIES 2010B BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF SUCH AN EVENT. PROSPECTIVE PURCHASERS OF THE SERIES 2010B BONDS 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 2010B BONDS.**

The following discussion is generally limited to "U.S. owners," meaning beneficial owners of Series 2010B Bonds 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 2010B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2010B Bonds (including their status as U.S. owners).***

### *Original Issue Discount and Original Issue Premium*

Certain of the Series 2010B Bonds (“Series 2010B Discount Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Series 2010B Discount Bond, provided that excess equals or exceeds a statutory *de minimis* amount (one-quarter of one percent of the Series 2010B Discount Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity). The issue price of a Series 2010B Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Series 2010B Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Series 2010B Discount Bond 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 Series 2010B Discount Bond (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 Series 2010B Discount Bond. The effect of OID is to accelerate the recognition of taxable income during the term of the Series 2010B Discount Bond.

Certain of the Series 2010B Bonds (“Series 2010B Premium Bonds”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. If a U.S. owner purchases a Series 2010B Premium Bond, that owner will be considered to have purchased such a Series 2010B Premium Bond with “amortizable bond 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 Series 2010B Premium Bond using a constant yield to maturity method over the remaining term of the Series 2010B Premium Bond (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 bond premium will reduce the basis of the Series 2010B Premium Bond pursuant to Section 1016(a)(5) of the Code

***Owners of Series 2010B Discount Bonds and Series 2010B Premium Bonds should consult their own tax advisors as to the determination for federal tax purposes of the amount of OID or amortizable bond premium properly accruable in any period with respect to the Series 2010B Discount Bonds or Series 2010B Premium Bonds and as to other federal tax consequences and the treatment of OID and amortizable bond premium for purposes of state or local taxes on, or based on, income.***

### *Backup Withholding*

General information reporting requirements will apply to payments of principal and interest made on a Series 2010B Bond and the proceeds of the sale of a Series 2010B Bond to non-corporate holders of the Series 2010B Bonds, and “backup withholding” 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 required to be shown on its federal income tax returns. A beneficial owner of a Series 2010B Bond 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).

#### *Non-U.S. Owners*

Under the Code, interest and OID on any Series 2010B Bond whose beneficial owner is not a U.S. owner is generally not subject to United States income tax or withholding tax (including backup withholding) if the non-U.S. owner provides the payor of interest on the Series 2010B Bonds with an appropriate statement as to its status as a non-U.S. owner. This statement can be made on IRS Form W-8BEN or a successor form. If, however, the non-U.S. owner conducts a trade or business in the United States and the interest or OID on the Series 2010B Bonds held by the non-U.S. owner is effectively connected with such trade or business, that interest or OID will be subject to United States income tax but will generally not be subject to United States withholding tax (including backup withholding). The foregoing is a brief summary of certain federal income tax consequences to a non-U.S. owner. *Non-U.S. owners should consult their own tax advisors regarding the tax consequences of an investment in the Series 2010B Bonds.*

#### *Circular 230*

**THE FOREGOING DISCUSSION IN “TAX MATTERS - SERIES 2010B BONDS” WAS NOT INTENDED OR WRITTEN BY BOND COUNSEL TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF THE SERIES 2010B BONDS. THE FOREGOING DISCUSSION IN “TAX MATTERS - SERIES 2010B BONDS” WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SERIES 2010B BONDS. EACH PROSPECTIVE PURCHASER OF THE SERIES 2010B BONDS SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE PURCHASER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

### **CONTINUING DISCLOSURE**

In order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission ("SEC") promulgated pursuant to the Securities Exchange Act of 1934 (the "Rule"), the Town will enter into a Continuing Disclosure Agreement dated the date of delivery of the Series 2010 Bonds (the "Continuing Disclosure Agreement"), the form of which is attached hereto as "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT," for the benefit of the Holders of the Series 2010 Bonds. Under the Continuing Disclosure Agreement, the Town, as an "obligated person" under the Rule and, initially, the sole obligated person under the Continuing Disclosure Agreement, will provide certain financial information and operating data (the "Annual Report") relating to the Town and notices of the occurrence of certain enumerated events with respect to the Series 2010 Bonds.

The Annual Report, and notices of the occurrence of certain enumerated events, will be filed by or on behalf of the Town to the centralized information repository developed and operated by the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access system ("EMMA"), in an electronic format prescribed by the MSRB. The nature of the information to be provided in the Annual Report and the notices of such

enumerated events is set forth in the Continuing Disclosure Agreement attached hereto as APPENDIX D. The Continuing Disclosure Agreement further provides that a default under the Continuing Disclosure Agreement shall not constitute an Event of Default, as defined under the Bond Resolution. The Town has not previously entered into any continuing disclosure agreements with respect to any of its outstanding debt obligations.

## **RATINGS**

Fitch Ratings and Moody's Investors Service, Inc., have assigned municipal bond ratings of "\_\_\_," and "\_\_\_," respectively, to the Series 2010 Bonds. Such ratings reflect the views of the respective rating agencies. An explanation of the ratings given by Fitch may be obtained from Fitch at One State Street Plaza, New York, New York 10004, (212) 908-0500. An explanation of the ratings given by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007, (212) 553-0300. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, if, in the judgment of the agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the Series 2010 Bonds. The Town undertakes no responsibility to oppose any such downward revision or withdrawal of ratings. The above ratings are not recommendations to buy, sell or hold the Series 2010 Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies.

## **UNDERWRITING**

The Series 2010 Bonds are being purchased by Loop Capital Markets, LLC (the "Underwriter"), subject to certain terms and conditions. The aggregate purchase price of the Series 2010A Bonds payable to the Town is \$\_\_\_\_\_ (\$\_\_\_\_\_ principal amount, [plus/less net original issue premium/discount] of \$\_\_\_\_\_ and less Underwriter's discount of \$\_\_\_\_\_). The aggregate purchase price of the Series 2010B Bonds payable to the Town is \$\_\_\_\_\_ (\$\_\_\_\_\_ principal amount, [plus/less net original issue premium/discount] of \$\_\_\_\_\_ and less Underwriter's discount of \$\_\_\_\_\_). The Underwriter is committed to purchase all the Series 2010 Bonds, if any are purchased. The Series 2010 Bonds are offered for sale to the public at the prices derived from the yields set forth on the inside cover page of this Official Statement. The Series 2010 Bonds may be offered and sold to certain dealers (including dealers depositing Series 2010 Bonds into investment trusts) at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

Loop Capital Markets, LLC, as the Underwriter of the Series 2010 Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc., for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement, Loop Capital Markets, LLC will share a portion of its underwriting compensation with respect to the Series 2010 Bonds with UBS Financial Services Inc.

## **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Florida law requires the Town to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal

or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). The Town, since December 31, 1975, has not been in default as to principal and interest on bonds or other debt obligations which it has issued, whether as the principal obligor or as a conduit.

### **CONTINGENCY OF FEES**

The Town has retained Bond Counsel and Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2010 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriter are each contingent upon the issuance of the Series 2010 Bonds. The Town's independent auditors are paid pursuant to a contract for performing an audit of the financial statements of the Town. They are not compensated as it relates to the issuance and sale of the Series 2010 Bonds.

### **FINANCIAL STATEMENTS**

The Town of Miami Lakes, Florida Financial Statements for the Fiscal Year Ended September 30, 2009 (the "Financial Statements"), audited by GSLC & Company PLLC (the "Auditor") are attached hereto as APPENDIX E. The Town has obtained the consent of the Auditor for the inclusion of the Financial Statements as APPENDIX E hereto. The Auditor did not participate in the preparation of the Official Statement.

### **FINANCIAL ADVISOR**

Estrada Hinojosa & Company, Inc., Miami, Florida is serving as financial advisor to the Town (the "Financial Advisor"). The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2010 Bonds and provided other advice to the Town. The Financial Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2010 Bonds. 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 Official Statement and is not obligated to review or ensure compliance with the undertaking by the Town to provide continuing secondary market disclosure.

### **CLOSING CERTIFICATES**

Concurrently with the delivery of the Series 2010 Bonds, the Mayor and the Town Manager will furnish their certificates to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2010 Bonds, does not contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary to make the statements contained herein, in the light of the circumstances in which they were made, not misleading.

### **FORWARD-LOOKING STATEMENTS**

This Official Statement contains certain "forward-looking statements" concerning the Town's operations, performance and financial condition, including its future economic

performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates, which are subject to uncertainties, many of which are beyond the control of the Town. The words “may,” “would,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate” and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

[Remainder of page intentionally left blank]

**MISCELLANEOUS**

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2010 Bonds, the security for and the source for repayment for the Series 2010 Bonds and the rights and obligations of the Holders thereof. Copies of such documents may be obtained as specified under the caption "INTRODUCTION" herein.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable and is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement, which may have been made verbally or in writing, is to be construed as a contract with the Holders of the Series 2010 Bonds.

The execution and delivery of this Official Statement by the Mayor and the Town Manager has been duly authorized by the Town Council.

**TOWN OF MIAMI LAKES, FLORIDA**

By: \_\_\_\_\_  
Michael A. Pizzi, Jr., Mayor

By: \_\_\_\_\_  
Alex Rey, Town Manager

## APPENDIX A

### GENERAL INFORMATION REGARDING TOWN OF MIAMI LAKES, FLORIDA

#### General

The Town of Miami Lakes, Florida (the “Town”) is one of the nation’s oldest “new towns,” which began as a five-square mile Planned Unit Development (PUD) established by The Graham Companies in 1962 and continued through the present. Located in the northwest corner of Miami-Dade County, Florida (the “County”), the Town was incorporated on December 5, 2000 and is one of the youngest municipalities in the County. With an area of approximately 6.6 square miles, the Town is home to approximately 27,000 residents and over 1,190 businesses. The Town has two office-commercial-industrial parks employing nearly 12,000 workers and containing approximately 4.5 million square feet of developed space. The Town Center includes more than a quarter-million square feet of retail, office, and entertainment space and features a picturesque Main Street and the famous Don Shula’s Hotel & Golf Club, a 200-acre, 300-room resort complex with Shula’s Steak House.

The Town operates under a Mayor-Council-Manager form of government pursuant to which the Town Council appoints the Town Manager. The Town Council is vested with all legislative powers of the Town, and consists of the Mayor and six members, four residential seats and two at-large. The Mayor’s seat is elected at-large for a four-year term. The Mayor is a voting member of the Council.

The Town operates through seven departments: Finance, Budget and Administration, Parks and Recreation, Building, Planning and Zoning, Police and Public Works. With only 27 fulltime staff members, the Town also relies on contractors for the provision of various public services. None of the Town’s staff belong to unions.

#### Population

The following table shows the Town’s historical population estimates.

#### Town of Miami Lakes, Florida

<u>Year</u>	<u>Population</u>	<u>Change</u>
2000	22,676	--
2005	24,741	9.11%
2007	27,027	9.24
2008	27,031	0.01
2009	26,694	(1.25)

---

Source: 2000 US Census and University of Florida Bureau of Economic and Business Research.

#### Climate

The Town’s climate is sub-tropical, characterized by long summers with abundant rainfall and mild, dry winters. The average temperature in the summer is 89 degrees Fahrenheit and 74 degrees Fahrenheit in the winter, with an average annual temperature of 81 degrees.



## **Parks and Recreation**

The Town of Miami Lakes parks system is one of the most unique park systems in the Miami-Dade County area consisting of a total of 99 park locations in a 6.5 square mile radius. The main feature of the parks system is a neighborhood park and tot lot system consisting of 97 of the total 99 park locations, with 50 “tot-lots” (parks with playground equipment), 6 lakefront beaches, and 2 Community Centers. A park is only a short walking distance from most Town residents’ homes. The parks system features two large, active community parks featuring athletic field areas, sport courts, a non-motorized marina/boat launch facility and the newly-built Royal Oaks Park Community Center, a LEED Gold certified facility that holds year-round programs for users of all ages and abilities. As a recognized Playful City USA, the parks system is home to the Town’s year-round recreation, community, and cultural programs that are available for users of all ages and abilities to enjoy.

## **Entertainment**

The Town is the quintessential example of a real-life “Mayberry;” a closely knit small Town where the neighborhood barbeque is commonplace, yet features all of the amenities and quality of life desirable for families, seniors, and the business community including high quality entertainment options that are widely available year-round. From its pedestrian and family friendly Main Street area, filled with unique dining options, shops, a black box theater, and movie theater to the 18-hole Senator Graham Golf Course at the Don Shula Hotel or the 50+ year-round Town-wide special events such as free concerts and movies at local parks; the Town provides all of the “big city” entertainment options while maintaining its small Town feel.

## **Education**

With four “A” rated public schools in the area, the Town of Miami Lakes is known as a premier place in Miami-Dade County to raise a family. The Town of Miami Lakes features two K-8 centers, 1 middle school, 1 high school, and 1 vocational/technical high school. In addition, two private schools, Our Lady of the Lake Catholic School and the Miami Lakes Christian Academy provide alternative educational opportunities for the Town’s youth.

Recently, the Town entered into a memorandum of understanding with Miami-Dade College to offer college-level courses at Town facilities, further expanding the available opportunities for education within the Town’s limits. For secondary education, the University of Miami, Florida International University, Florida Atlantic University, Florida Memorial University, Nova Southeastern University, Barry University, Miami-Dade College, Broward Community College and Keiser College are all close by options for the Town residents and provide excellent recruiting sources for Town businesses.

## **Transportation**

The Town benefits from having Miami–Dade County bus transportation readily available around the Town. However for those in-Town travelers, the Town offers a regular, fixed-route trolley service that is free for riders and offers pick up and drop off at shopping centers, grocery stores, pharmacies and local parks. This service is especially beneficial to the Town’s senior population.

Another highlight of the Town’s transportation system is its integrated system of greenways and pedestrian friendly walkways that provide environmentally friendly transportation options for pedestrians and bicyclists alike.

## Demographic Data

### AGE

	<u>Population</u>	<u>Percentage</u>
Under 5 years	1,829	6.2%
5-9 years	1,852	6.3
10-14 years	2,093	7.1
15-24 years	4,234	14.4
25-34 years	3,418	11.7
35-44 years	4,899	16.7
45-54 years	4,217	14.4
55-64 years	3,009	10.2
65 years and over	3,775	12.9

---

Source: U.S. Census Bureau, American Community Survey 3-year Estimates (2006-2008).  
NOTE: population totals from American Community Survey differ from population totals from University of Florida Bureau of Economic and Business Research.

### RACE & ETHNICITY

	<u>Population</u>	<u>Percentage</u>
<u>Race</u>		
White	25,261*	86.1%
Black	827	2.8
Other Races	2,517	11.1
<u>Ethnicity</u>		
Hispanic Origin	22,658	77.2
Two or more races	721	2.5

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Source: U.S. Census Bureau, American Community Survey 3-year Estimates (2006-2008).  
NOTE: population totals from American Community Survey differ from population totals from University of Florida Bureau of Economic and Business Research.

\* Population total for "White" includes persons of "Hispanic Origin" – based on methodology of U.S. Census Bureau.

## Economic Information

Despite the continued effects of the global economic recession, the Town's per capita income has remained strong and significantly greater than the Miami-Dade Metropolitan Statistical Area ("Miami-Dade MSA") and the State of Florida (the "State"). U.S. Census Bureau, American Community Survey data, indicated that the Town's per capital personal income for 2008 was \$32,676, while Miami-Dade MSA and the State per capita personal income was \$23,750 and \$27,151, respectively. The Town has also benefitted from a relatively low unemployment rate. In 2008, the Town's unemployment rate was 2.8%, which was significantly lower than the State's unemployment rate of 6.2% for the same period.

**TOWN OF MIAMI LAKES, FLORIDA  
PRINCIPAL EMPLOYERS**

<u>Employer</u>	<u>Number of Employees</u>
CORDIS CORPORATION ( <i>Johnson &amp; Johnson</i> )	600
THE GRAHAM COMPANIES	486
INKTEL	464
SCHERING CORPORATION ( <i>Merck Pharmaceuticals</i> )	287
AMERICAN EXPRESS TRAVEL SERVICES	275
CATERPILLAR CORPORATION	237

Source: Town of Miami Lakes Telephone Survey 11/2010.

**TOWN OF MIAMI LAKES, FLORIDA  
HISTORICAL, CURRENT AND PROJECTED  
HOUSING UNITS BY YEAR**

	<u>2000</u>	<u>2008</u>	<u>2015</u>	<u>2020</u>
Single-Family	5,843	7,211	7,364	7,720
Multiple-Family	<u>3,162</u>	<u>4,093</u>	<u>4,173</u>	<u>4,360</u>
Total Units	9,005	11,304	11,537	12,080

Source: U.S. Census Bureau, American Community Survey 3-year Estimates (2006-2008) and 2000 Census. Projected housing units approximate based on Miami Lakes Evaluation and Appraisal Report (2008) inventory of vacant land.

**Ad Valorem Assessments**

Based on Fiscal Year 2010-2011 data obtained from the Miami-Dade County Property Appraiser, the Town's fifteen largest ad valorem taxpayers comprise 26% of the taxable property value within the Town and generating approximately \$1.40 million in ad valorem tax revenues. The fifteen largest ad valorem taxpayers and the assessed values of their properties are as follows:

[Remainder of page intentionally left blank]

**TOWN OF MIAMI LAKES, FLORIDA  
FIFTEEN PRINCIPAL TAXPAYERS**

<u>Taxpayer</u>	<u>Taxable Value</u>
The Graham Companies	\$299,980,073
Sengra Corporation	107,704,665
Cordis Corporation	32,575,463
Cap East Associates	38,274,640
Caterpillar Tractor Co.	21,800,000
Miami Lakes Country Club Inc.	19,314,289
Royal Oaks Plaza Inc.	19,200,000
Costco Wholesale Corp.	15,888,064
Private Tax payer	13,690,373
Palms Corporate Centre LLC	13,559,623
Kimco Autofund LP	12,466,114
NAS Investments LLC	11,579,126
5980 Miami Lakes Drive LLC	10,743,124
HPTCY Corporation	10,404,620
Carmax Auto Superstores Inc.	6,745,990
Total	<u>\$623,926,164</u>

**TOWN OF MIAMI LAKES, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTION  
(amounts expressed in thousands)**

<b>Fiscal Year Ended September 30,</b>	<b>Total taxes Levied for Fiscal Year</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Total Collections to Date</b>	
		<b><u>Amount</u></b>	<b><u>Percent of Levy</u></b>	<b><u>Amount</u></b>	<b><u>Percent of Levy</u></b>
2005	\$6,585,162	\$6,093,713	92.54%	\$6,093,713	92.54%
2006	7,589,130	7,064,767	93.09	7,064,767	93.09
2007	8,268,558	7,706,386.	93.20	7,706,386	93.20
2008	7,840,181	7,427,747	94.74	7,427,747	94.74
2009	7,840,181	7,433,753	94.81	7,433,753	94.81

Source: Town of Miami Lakes, Florida.

**TOWN OF MIAMI LAKES, FLORIDA  
HISTORICAL MILLAGE RATES**

<u>Fiscal Year</u>	<u>Millage Rate</u>
2005	2.9120
2006	2.8250
2007	2.7403
2008	2.4795
2009	2.4795
2010	2.4470
2011	2.3702

Source: Town of Miami Lakes, Florida.

**TOWN OF MIAMI LAKES, FLORIDA  
RECORD OF BUILDING PERMITS  
FISCAL YEARS 2006 THROUGH 2010**

<u>Fiscal Year</u>	<u>Building Permits</u>	<u>Estimated Cost</u>
2006	4517	\$63,187,292
2007	4035	94,106,073
2008	3038	25,353,984
2009	2500	10,808,614
2010	2165	n/a

Source: Town of Miami Lakes, Florida.

**Outstanding Debt Obligations**

In 2007 and again in 2008, the Town issued notes to fund the purchase of police vehicles (the “2007 Note” and the “2008 Note,” respectively, and collectively, the “Debt Obligations”). The Debt Obligations are payable from the Town’s non-ad valorem revenues. The annual debt service requirement for the Debt Obligations is provided below.

<u>Year Ending September 30,</u>	<u>2007 Note</u>			<u>2008 Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$64,506	\$4,239	\$68,745	\$63,873	\$6,077	\$69,950
2012	67,085	1,660	68,745	66,124	3,826	69,950
<u>2013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,455</u>	<u>1,495</u>	<u>\$69,950</u>
<u>Total</u>	<u>\$193,616</u>	<u>\$12,619</u>	<u>\$206,235</u>	<u>\$260,150</u>	<u>\$19,649</u>	<u>\$279,799</u>

Source: Town of Miami Lakes, Florida.

(1) The 2007 Note bears interest at a fixed rate equal to 3.94% per annum.

(2) The 2008 Note bears interest at a fixed rate equal to 3.469% per annum.

## **APPENDIX B**

### **FORM OF THE BOND RESOLUTION**

*The Bond Resolution is scheduled to be considered for approval by the Town Council on December 14, 2010. The Series 2010 Bonds will not be offered for sale unless and until the Bond Resolution and the Authorizing Ordinance are approved by the Town Council.*

## RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE TOWN OF MIAMI LAKES, FLORIDA, WITH ATTACHMENTS, PROVIDING FOR THE ISSUANCE, IN ONE OR MORE SERIES, OF THE TOWN'S SPECIAL OBLIGATION BONDS; PROVIDING THAT SUCH BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, OR A PLEDGE OF THE TOWN'S FULL FAITH AND CREDIT, BUT SHALL BE PAYABLE AS TO PRINCIPAL AND INTEREST SOLELY FROM THE PLEDGED REVENUES; PROVIDING FOR THE ISSUANCE OF THE TOWN'S SPECIAL OBLIGATION BONDS, SERIES 2010 (GOVERNMENT CENTER PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$8,300,000, IN ONE OR MORE SERIES, AS TAX-EXEMPT BONDS OR TAXABLE BONDS, INCLUDING BUILD AMERICA BONDS (DIRECT PAYMENT), FOR THE PURPOSE OF PAYING THE COST OF ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW GOVERNMENT CENTER AS DESCRIBED HEREIN; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS AND REFUNDING BONDS UNDER CERTAIN CONDITIONS; PROVIDING FOR THE CREATION OF CERTAIN FUNDS AND ACCOUNTS; DELEGATING TO THE TOWN MANAGER AUTHORITY TO DETERMINE THE TERMS OF THE SERIES 2010 BONDS WITHIN PRESCRIBED PARAMETERS; DESIGNATING A BOND REGISTRAR AND PAYING AGENT FOR THE SERIES 2010 BONDS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AND BOND REGISTRAR AGREEMENT; CONFIRMING NECESSITY FOR A NEGOTIATED SALE OF THE SERIES 2010 BONDS; APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND USE OF A FINAL OFFICIAL STATEMENT RELATING TO THE SERIES 2010 BONDS; PROVIDING FOR A BOOK-ENTRY ONLY SYSTEM WITH RESPECT TO THE SERIES 2010 BONDS AND THE EXECUTION AND DELIVERY OF A LETTER OF REPRESENTATIONS WITH THE DEPOSITORY TRUST COMPANY; AUTHORIZING THE TOWN MANAGER TO NEGOTIATE FOR AND OBTAIN RESERVE ACCOUNT CREDIT FACILITIES AND TO EXECUTE AGREEMENTS RELATING THERETO WITH RESPECT TO THE SERIES 2010 BONDS; PROVIDING FOR A CONTINUING DISCLOSURE AGREEMENT WITH RESPECT TO THE SERIES 2010 BONDS; AUTHORIZING TOWN OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2010 BONDS; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Miami Lakes, Florida (the “Town”) finds it is in the best interest of the residents of the Town to provide for the acquisition, construction and equipping of a new government center, as more specifically described herein (the “Series 2010 Project”); and

WHEREAS on the date hereof, the Town Council has enacted Ordinance No. 2010-\_\_\_\_ (the “Authorizing Ordinance”), authorizing the issuance of its special obligation bonds, in the aggregate principal amount of not exceeding \$8,300,000 (the “Series 2010 Bonds”), in one or more series, as tax-exempt or taxable bonds, including Build America Bonds (Direct Payment) (as defined herein), in order to finance the costs of the Series 2010 Project; and

WHEREAS, the Authorizing Ordinance provides that the terms and details of the Series 2010 Bonds, and other related matters, are to be set forth or provided for in a Supplemental Bond Resolution (as described in the Authorizing Ordinance); and

WHEREAS, this resolution is intended to be the Supplemental Bond Resolution for the Series 2010 Bonds, as required by the Authorizing Ordinance, and sets forth, or provides for the determination of, the terms and conditions of the Series 2010 Bonds, and other related matters in connection therewith; and

WHEREAS, the Town has also determined to provide for the issuance of additional series of special obligation bonds to finance or refinance the acquisition, construction and improvement of additional capital improvements within the Town from time to time, and to pledge for the payment of such special obligation bonds, the Pledged Revenues (as hereinafter defined).

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF MIAMI LAKES, FLORIDA:

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(This Table of Contents is not a part of the Resolution but is for convenience of reference only)

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## ARTICLE I

### DEFINITIONS

Section 101. Incorporation of Recitals. The Town Council hereby finds and determines and does hereby incorporate as part of this Resolution the matters set forth in the foregoing recitals.

Section 102. Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless some other meaning is plainly intended:

“Accountant” means a firm of independent certified public accountants at the time serving as such pursuant to this Resolution.

“Accreted Value” shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at a rate not exceeding the legal rate as set forth in the Series Resolution providing for the issuance of such Bonds, compounded periodically, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues in equal daily amounts on the basis of a 360 day year of twelve 30-day months.

“Additional Bonds” means any Bonds issued at any time under the provisions of Section 209 of this Resolution.

“Amortization Requirements” shall mean the amounts required to be deposited in the Principal Account Account for the Bonds for the purpose of redeeming prior to their maturity and paying at their maturity the Term Bonds of any Series, issued pursuant to this Resolution, the specific amounts and times of such deposits to be determined by the Town Manager as provided in Section 208(b) and (e) hereof or in the applicable Series Resolution.

“Bond Counsel” means counsel selected by the Town Attorney, which counsel is nationally recognized on the subject of and qualified to render approving legal opinions on the issuance of municipal bonds.

“Bond Purchase Agreement” means, the Bond Purchase Agreement between the Town and the Underwriter in the form authorized pursuant to Section 208(j) hereof.

“Bond Registrar” means, a bank or trust company, either within or without the State of Florida, designated as such by the Town Council, which shall perform such functions as Bond Registrar; provided, however, the Town may designate itself, acting by and through the Finance Director, to serve as Bond Registrar. If the Town has designated itself, acting by and through the Finance Director, to serve as Bond Registrar, any reference in this Resolution to the “principal corporate trust office” or “principal office” of the Bond Registrar shall mean the office of the Finance Director, located in the Town of Miami Lakes.

“Bonds” means, collectively, any bonds issued under the provisions of this Resolution, including the Series 2010 Bonds, any Additional Bonds and any Refunding Bonds.

“Book-Entry Bonds” and “Bonds in Book-Entry Form” means Bonds which are subject to a Book-Entry System.

“Book-Entry System” or “Book-Entry-Only-System” means a system under which either (a) bond certificates are not issued and the ownership of bonds is reflected solely by the Register, or (b) physical certificates in fully registered form are issued to a securities depository or to its nominee as Registered Owner, with the certificated bonds held by and “immobilized” in the custody of such securities depository, and under which records maintained by Persons, other than the Bond Registrar, constitute the written record that identifies the ownership and transfer of the beneficial interests in those Bonds.

“Build America Bonds (Direct Payment)” means bonds authorized under Section 54AA of the Internal Revenue Code of 1986, as amended, the interest on which is not exempt from federal income taxation, but which bonds are eligible for a federal tax credit in the form of a direct cash subsidy payment from the United States Department of the Treasury to the issuer thereof in an amount equal to a percentage of the interest paid on such bonds.

“Business Day” means any day, other than a Saturday or Sunday, on which commercial banks are open for business in the State and in New York, New York and on which the New York Stock Exchange is open.

“Capital Appreciation Bonds” means any Bonds issued under this Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date therefor, all as so designated or provided for in the Series Resolution relating to the issuance thereof, and which may be either Serial Bonds or Term Bonds.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applied to the Bonds or the use of proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

“Construction Fund” means the Town of Miami Lakes Special Obligation Bonds Construction Fund created and so designated by Section 409 of this Resolution.

“Credit Agreement” means any contract, agreement, or other instrument executed by the Town in connection with obtaining or administering any Credit Facility, Insurance Policy, Reserve Fund Insurance Policy or Reserve Fund Letter of Credit for any Bonds, including, but not limited to, any reimbursement agreement, financial guaranty agreement, or standby bond purchase agreement.

“Credit Bank” means, as to any particular Series of Bonds, the person (other than an Insurer) providing a Credit Facility.

“Credit Facility” means, as to any particular Series of Bonds, a letter of credit, a line of credit or another credit enhancement or liquidity facility provided by a Credit Bank (other than an Insurance Policy issued by an Insurer).

“Current Interest Bonds” means Bonds the interest on which is payable on the Interest Payment Dates provided therefor in or pursuant to the Series Resolution corresponding to such Series of Bonds.

“Debt Service Fund” means the Town of Miami Lakes Special Obligation Bonds Debt Service Fund created and so designated by Section 401 of this Resolution.

“Defeasance Obligations” means (a) Government Obligations; (b) obligations evidencing ownership interests in Government Obligations or in specified portions thereof (which may consist of specific portions of the principal of or interest in such Government Obligations); and (c) municipal obligations rated in the highest rating category of each Rating Agency, the payment of the principal of, interest and redemption premium, if any, on which is irrevocably secured by cash or obligations described in clause (a) or (b) of this definition and which obligations have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations.

“Depository” means one or more banks or trust companies authorized under the laws of the United States of America or the State to engage in the banking business within the State and that shall have been designated by the Town as a depository of money pursuant to the provisions of this Resolution.

“Details Certificate of Town Manager” with respect to the Series 2010 Bonds shall have the meaning set forth in Section 208(b) of this Resolution, and with respect to any other Series of Bonds issued hereunder, shall mean the certificate establishing the forms and details of such Series of Bonds as provided in the Series Resolution.

“Electric Utility Tax” means that portion of the Public Service Tax levied and imposed by the Town pursuant to the Public Service Tax Ordinance and Section 166.231 et seq., Florida Statutes, and any successor ordinances or statutory provisions thereto, on the purchase of electricity within the incorporated area of the Town.

“Electric Utility Tax Revenues” means the proceeds of the Electric Utility Tax actually collected and received by the Town.

“Expense Account” means the Expense Account created within the Construction Fund and so designated by Section 409 of this Resolution.

“Fiduciary” means the Paying Agent, the Bond Registrar and any Depository or any or all of them, as may be appropriate; when the Town itself serves as Bond Registrar and/or Paying Agent, “Fiduciary” shall mean the Town and the Person or Persons acting on behalf of the Town.

“Finance Director” means the Finance Director of the Town or any person designated to act on the Finance Director’s behalf, or the officer or officers succeeding to his/her principal functions.

“Financial Advisor” means Estrada Hinojosa & Company, Inc., in its capacity as financial advisor to the Town in connection with the issuance of the Series 2010 Bonds.

“Fiscal Year” means the fiscal year of the Town.

“Fitch” means Fitch Ratings, its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, “Fitch” shall refer to any other nationally recognized securities rating agency designated by the Town.

“Funds and Accounts” means those funds and accounts created pursuant to Article IV of this Resolution or pursuant to a Series Resolution.

“Government Obligations” means direct obligations of the United States of America, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America (including bonds, notes and other obligations).

“Hedge Agreement” means and includes, an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or any other financial product which is used by the Town as a hedging device with respect to its obligation to pay debt service on any Bonds or in connection with any of its investments under this Resolution, entered into between the Town and a Hedge Counterparty; provided that such Hedge Counterparty shall be an entity whose long-term debt obligations, or whose payment obligations under the Hedge Agreement are guaranteed by an entity whose long-term debt obligations, ranking pari passu with its obligation under the Hedge Agreement or its guarantee thereof, as the case may be, are rated (on the date the Hedge Agreement is entered into) at least [“A2”] by Moody’s and at least [“A”] by S&P; and, further provided, that such arrangement shall be specifically designated in a certificate of the Town Manager as a “Hedge Agreement” for purposes of this Resolution.

“Hedge Counterparty” means any Person (other than the Town) that is a party to a Hedge Agreement.

“Hedge Obligations” means all net obligations of the Town under a Hedge Agreement except Hedge Termination Payments.

“Hedge Receipts” means net payments received by the Town, from a Hedge Counterparty under a Hedge Agreement.



“Hedge Termination Payments” means an obligation of the Town to a Hedge Counterparty under a Hedge Agreement upon early termination of such Hedge Agreement, excluding any periodic net Hedge Obligations.

“Holder,” “Owner,” “Registered Owner” or “Bondholder” means a person in whose name a Bond (or one or more Predecessor Bonds) is registered in the registration books provided for in Section 206 of this Resolution.

“Insurance Policy” means, as to any one or more particular Series of Bonds, a policy of municipal bond insurance, financial guaranty insurance, or similar credit enhancement facility provided by an Insurer.

“Insurer” means, as to any one or more particular Series of Bonds, the Person undertaking to insure such Bonds by means of an Insurance Policy.

“Interest Account” means the Interest Account created within the Debt Service Fund and so designated by Section 401 of this Resolution.

“Interest Payment Date” means, (i) with respect to the Series 2010 Bonds the dates set forth in Section 208(b) hereof, and (ii) with respect to any other Bonds, the dates specified in or pursuant to the Series Resolution for such Bonds on which interest is stated to be due thereon, and any date on which interest becomes due thereon on account of the early redemption thereof or on account of the happening of an event which, under the terms of such Bonds, requires a payment of interest to be made thereon.

“Investment Earnings” means the interest, dividends and capital gains received from the investment, purchase and sale of Investment Obligations held in the various Funds and Accounts established pursuant to this Resolution, except for the Rebate Fund.

“Investment Obligations” means, to the extent permitted by law:

- (a) Government Obligations.
- (b) Obligations of federal agencies which obligations represent the full faith and credit of the United States of America, including, but not limited to:
  - Export-Import Bank
  - Farm Credit System Financial Assistance Corporation
  - Farmers Home Administration -- (Certificates of beneficial ownership)
  - Federal Financing Bank
  - Federal Housing Administration
  - General Service Administration -- Participation certificates

- Government National Mortgage Association (GNMA or “Ginnie Mae”)  
GNMA - guaranteed mortgage-backed bonds or GNMA - guaranteed pass-through obligations
- U.S. Maritime Administration -- Guaranteed Title XI financing
- Small Business Administration
- U.S. Department of Housing & 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

(c) Obligations of non-full faith and credit U.S. federal agencies, including, but not limited to,:

- Federal Home Loan Bank System -- Senior debt obligations
- Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”)  
Participation certificates  
Senior debt obligations
- Federal National Mortgage Corporation (FNMA or “Fannie Mae”)  
Mortgage-backed securities  
Senior debt obligations
- Student Loan Marketing Association (SLMA or “Sallie Mae”)  
Senior debt obligations
- Resolution Funding Corp. (“REFCORP”)
- Farm Credit System

(d) The Local Government Surplus Trust Fund managed by the State Board of Administration of the State of Florida.

(e) One or more funding agreements, investment agreements or guaranteed investment contracts to be issued pursuant to applicable state insurance regulations by an insurance company rated by Best Insurance Reports in one of the two highest rating categories or whose claims paying ability is rated in one of the two highest rating categories by at least one of the Rating Agencies or by a bank rated AA or better, or their respective successors and assigns, which agreements or contracts shall be issued out of the general account of such insurance company or issued out of a separate account guaranteed by the general account of such insurance company.

(f) Any repurchase agreements with any bank, savings institution or trust company which is insured by the Federal Deposit Insurance Corporation or with any broker/dealer with retail customers which is a member of the Securities Investors Protection Corporation, provided such agreements are i) in writing; and ii) fully secured by securities unconditionally guaranteed by the United States of America, and provided further that (1) any such collateral is held by the Town or any agent acting solely for the Town during the full term of such agreements; (2) any such collateral is not subject to liens or claims of third parties; (3) any such collateral has a market value (determined at least every 14 days) at least equal to one hundred two percent (102%) of the amount invested in such agreement; (4) the Town has a perfected first security interest in such collateral; and (5) such agreement shall provide that the failure to maintain such collateral at the level required by clause (3) above will require the Town or its agent to liquidate the investments. Master repurchase agreements shall be executed with all dealers and brokers engaged in repurchase agreements with the Town.

(g) Commercial paper rated in one of the two highest rating categories by at least two Rating Agencies or commercial paper backed by a letter of credit or line of credit rated in one of the two highest rating categories by at least two Rating Agencies.

(h) Bonds, notes, or obligations of the State of Florida, any municipality or political subdivision or any agency or authority of this state, if such obligations are rated by at least two Rating Agencies in any one of their two highest rating categories.

(i) Interest bearing time deposits or savings accounts in banks organized under the laws of this state, in national banks organized under the laws of the United States and doing business and situated in this state, in savings and loan associations which are under state supervision, or in federal savings and loan associations located in this state and organized under federal law and federal supervision, provided such deposits are secured by collateral as may be prescribed by law.

(j) Bank time deposits evidenced by certificates of deposit issued by any bank, savings and loan association, trust company or national banking association, which are (a) fully insured by the Federal Deposit Insurance Corporation and are governed by Florida Statutes, (b) to the extent not so insured, secured by Government Obligations provided (i) such Government Obligations shall be in the physical possession of the Town or a bank or trust company of its choosing which is not the issuer of such certificate of deposit or bankers' acceptance, or a first lien perfected security interest in such obligations is created for the benefit of the Town as fiduciary for the holders of the bonds, and (ii) such obligations must continuously have a market value at least equal to the amount so invested.

(k) Bills of Exchange or time drafts drawn on and accepted by a commercial bank (commonly referred to as a Banker's Acceptance) and eligible for use as collateral by member banks in borrowing from a Federal Reserve Bank, provided that the accepting bank or its holding company is rated in one of the two highest rating categories by at least one of the Rating Agencies.

(l) Securities of, or other interests in, any open-end or closed-end management type, investment company or investment trust registered under the Investment Company Act of 1940,

15 U.S.C. ss 80a-1 et sec., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to Government Obligations and to repurchase agreements fully collateralized by such Government Obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

(m) Shares of the Government Fund or any other investment fund established by the Florida Counties Investment Trust, the assets of which are restricted to investment instruments by the Town's investment policy, as it may be amended from time to time.

(n) Collateralized mortgage obligations (CMOs) which are bank eligible and pass the Federal Financial Institution Examination Council (FFIEC) Codes for CMO safety.

(o) World Bank Notes, Bonds and Discount Notes and Notes, rated in the highest rating category of at least one Rating Agency.

(p) Obligations of the Tennessee Valley Authority.

(q) Reverse repurchase agreements which shall be used only for liquidity purposes and cannot be longer than thirty (30) days in duration.

“Maximum Principal and Interest Requirements” means, as of any particular date of calculation, the greatest amount of Principal and Interest Requirements for the then current or any future Fiscal Year.

“Mayor” means the Mayor or Vice-Mayor of the Town or in his absence or inability to perform such member of the Town Council designated by the Mayor to act in the Mayor's behalf or any person succeeding to the principal function of the office of Mayor.

“Moody's” means Moody's Investors Service Inc., its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, “Moody's” shall refer to any other nationally recognized securities rating agency designated by the Town.

“Official Statement” means the Preliminary Official Statement, the form of which was approved by the Preliminary Official Statement Resolution, with such terms and provisions as modified to incorporate the final terms of sale of the Series 2010 Bonds, as provided in Section 208(k) hereof.

“Outstanding” means all Bonds that have been authenticated and delivered by the Bond Registrar under this Resolution except:

(a) Bonds paid or redeemed or delivered to or acquired by the Bond Registrar for cancellation;

(b) Bonds deemed to be paid under the provisions of this Resolution; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Resolution;

provided, however, that in determining whether the Holder of the requisite principal amount of Outstanding Bonds has given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Town shall be disregarded and deemed not to be Outstanding, except that, in determining whether any Fiduciary hereunder shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that such Fiduciary knows to be so owned shall be so disregarded.

“Paying Agent” means, as to a particular Series of Bonds, the banks or trust companies, either within or without the State, designated as such by the Town Council, which shall perform such functions as Paying Agent; provided, however, the Town, acting by and through the Finance Director, may serve as Paying Agent.

“Person” means and includes an association, unincorporated organization, a corporation, a partnership, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

“Pledged Revenues” means (i) the Electric Utility Tax Revenues, (ii) Investment Earnings and (iii) the moneys on deposit in the Funds and Accounts established pursuant to this Resolution, except for the Rebate Fund.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond. For purposes of this definition, any Bond authenticated and delivered under Section 211 of this Resolution in lieu of a mutilated, destroyed, stolen or lost Bond shall be deemed to evidence the same debt as the mutilated, destroyed, stolen or lost Bond.

“Preliminary Official Statement Resolution” means Resolution No. 2010-\_\_\_\_ adopted by the Town Council on December 8, 2010, authorizing and approving the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offering of the Series 2010 Bonds by the Underwriter.

“Principal Account” means the Principal Account created within the Debt Service Fund and so designated by Section 401 of this Resolution.

“Principal and Interest Requirements” shall mean the respective amounts which are required in each Fiscal Year to provide:

- (i) the amount required to pay the interest coming due and payable on Bonds then Outstanding during that Fiscal Year, less (a) the amount of interest for such Fiscal Year that shall have been provided for by prior deposits into the Interest Account and (b) the amount of cash subsidy payments paid or expected to be paid by the United States Treasury to the Town on account of any Series 2010 Bonds issued as Build America Bonds (Direct Payment);
- (ii) for paying the principal of Serial Bonds then Outstanding;
- (iii) for paying the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year; and

- (iv) for the paying of any Hedge Obligations, if any, owed under a Hedge Agreement (excluding a Hedge Termination Payment).

For purposes of computing (i), (ii), (iii) and (iv) above, any principal, interest or Amortization Requirements due on the first day of the following Fiscal Year shall be deemed due in the preceding Fiscal Year.

The following rules shall apply in determining the amount of the Maximum Principal and Interest Requirements for any Fiscal Year:

- (A) In the case of Capital Appreciation Bonds, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds becoming due at maturity or by virtue of an Amortization Requirement shall be included in the calculations of accrued and unpaid interest and principal requirements in the Fiscal Year in which said Capital Appreciation Bonds mature or are redeemed; and
- (B) If all or a portion of the principal of or interest on a Series of Bonds is payable from funds irrevocably set aside or deposited for such purpose, together with projected earnings thereon, as determined by an Accountant, to the extent such earnings are projected to be from Investment Obligations, such principal or interest shall not be included in determining Principal and Interest Requirements.

“Project” means the acquisition, construction, improvement, renovation and equipping of any capital improvement within the Town as authorized by a Series Resolution.

“Public Service Tax” means the tax authorized to be levied by municipalities on the purchase of certain utility products by Section 166.231, et seq., Florida Statutes, as the same may be amended from time to time, or any successor statute thereto, and actually levied by the Town pursuant to the Public Service Tax Ordinance.

“Public Service Tax Ordinance” means Ordinance No. 2001-02 enacted by the Town Council on April 24, 2001, as the same may be amended from time to time, or any successor ordinance thereto, providing for the levy and imposition of the Public Service Tax authorized by Section 166.231 et seq., Florida Statutes, as amended, on the purchase of certain utility services within the incorporated area of the Town.

“Rating Agency(ies)” means, S&P, Moody’s and Fitch, but only to the extent that each such entity then has a rating in effect on the Outstanding Bonds issued under this Resolution.

“Rebate Amount” means the amount of any rebate or penalty in lieu of rebate which is payable under Section 148(f) of the Code.

“Rebate Fund” means the Town of Miami Lakes Special Obligation Bonds Rebate Fund created and so designated by Section 401 of this Resolution.

“Record Date” means, (i) for the Series 2010 Bonds, the close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date, and (ii) for other Series of Bonds, the record date or dates established for the Bonds of such Series in a Series Resolution.

“Refunding Bonds” means Bonds authorized pursuant to Section 210 of this Resolution.

“Reserve Account” means an account created within the Reserve Fund by a Series Resolution that relates only to that particular Series of Bonds.

“Reserve Fund” means the Town of Miami Lakes Special Obligation Bonds Reserve Fund created and so designated by Section 401 of this Resolution; provided, however, that each particular Series of Bonds issued under this Resolution shall be secured by the Reserve Fund only to the extent that the Series Resolution corresponding to such Series of Bonds expressly so provides.

“Reserve Fund Insurance Policy” shall mean the insurance policy, surety bond or other evidence of insurance deposited to the credit of the Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which policy, bond or other evidence of insurance constitutes an unconditional senior obligation of the issuer thereof. The issuer thereof shall be a municipal bond insurer whose senior debt obligations ranking *pari passu* with its obligations under such policy, bond or other evidence of insurance are rated at the time of deposit of such policy, bond or other evidence of insurance to the credit of the Reserve Fund or any account thereof in any of the [two] highest rating categories of the Rating Agencies.

“Reserve Fund Letter of Credit” shall mean the irrevocable, transferable letter of credit deposited to the credit of the Reserve Fund or any account thereof in lieu of or in partial substitution for cash or securities on deposit therein, which letter of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter of credit shall be a banking association, bank or trust company or branch thereof whose senior debt obligations ranking *pari passu* with its obligations under such letter of credit are rated at the time of deposit of the letter of credit to the credit of the Reserve Fund or any account thereof in any of the [two] highest rating categories of the Rating Agencies.

“Reserve Fund Requirement” means, (i) for any Series of Bonds, to the extent that the Series Resolution expressly provides that such Series of Bonds is to be secured by the Reserve Fund or a Reserve Account established therein, the amount set forth in the Series Resolution as the Reserve Fund Requirement, provided, however, that where more than one Series of Bonds are issue simultaneously, such Series of Bonds shall be treated as one Series for the purpose of computing the Reserve Fund Requirement, and (ii) for the Series 2010 Bonds, as of any particular date of calculation, an amount equal to the lesser of (i) the Maximum Principal and Interest Requirements for the Series 2010 Bonds, (ii) 125% of the average annual Principal and Interest Requirements for the Series 2010 Bonds and (iii) 10% of the original proceeds (within the meaning of the Code) of the Series 2010 Bonds Outstanding.

“Rule” means Rule 15c2-12, as amended, prescribed by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

“Serial Bonds” means the Bonds that are stated to mature in consecutive annual installments and that are so designated in the Details Certificate of the Town Manager.

“Series” means all of the Bonds authenticated and delivered on original issuance as a separate Series of Bonds, including the Series 2010A Bonds and the Series 2010B Bonds

authorized hereunder, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof.

“Series 2010 Project” means the acquisition, construction and equipping of a new government center building, including, without limitation, furniture, fixtures and equipment and associated support systems, parking facilities and infrastructure improvements related thereto, and the acquisition of the real property upon which such building and associated support systems, parking facilities and infrastructure improvements related thereto are to be constructed; provided, however, that the Series 2010 Project may instead consist of the acquisition, improvement and equipping of an existing building for use as a new government center (and the real property upon which such building is situated) including, without limitation, furniture, fixtures and equipment and associated support systems, parking facilities and infrastructure improvements related thereto, all as may be determined by the Town Council and provided for in a subsequent resolution of the Town Council.

“Series Authorizing Ordinance” means, (i) as to the Series 2010 Bonds, the Authorizing Ordinance, and (ii) as to one or more Series of Bonds, the ordinance or ordinances providing for the initial authorization of such Series of Bonds as required by the Charter of the Town, and pursuant to Section 209 hereof in connection with the issuance of Additional Bonds or Section 210 hereof in connection with the issuance of Refunding Bonds.

“Series Resolution” means, (i) as to the Series 2010 Bonds, this Resolution, and (ii) as to any one or more additional Series of Bonds, the resolution or resolutions of the Town providing for the authorization, sale and issuance of such Series of Bonds authorized to be issued as Additional Bonds under Section 209 hereof or Refunding Bonds under Section 210 hereof; provided, however, that a Series Resolution may provide that the terms of a particular Series of Bonds shall be set forth in a Details Certificate of the Town Manager.

“Series 2010A Bonds” means the Series 2010 Bonds, if any, issued as Tax-Exempt Bonds and authorized by Section 208 of this Resolution.

“Series 2010B Bonds” means the Series 2010 Bonds, if any, issued as Build America Bonds (Direct Payment) and authorized by Section 208 of this Resolution.

“S&P” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Corporation, its successors and assigns, and if such entity no longer performs the functions of a securities rating agency, “S&P” shall refer to any other nationally recognized securities rating agency designated by the Town.

“State” means the State of Florida.

“Subordinated Indebtedness” shall mean bonds, notes or other forms of indebtedness, the payment of the principal or interest or redemption premium on which are payable solely from the Electric Utility Tax Revenues after all payments on account of the Bonds required by Section 403 of this Resolution have been made, and which is designated as Subordinated Indebtedness by the Town Council in the resolution authorizing the issuance of such Indebtedness.



“Tax-Exempt Bonds” means Bonds issued as bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes.

“Term Bonds” means that portion of any Bonds which are stated to mature on one date in a calendar year and which shall be subject to mandatory redemption by operation of an Amortization Requirement.

“Town” means the Town of Miami Lakes, Florida.

“Town Attorney” means the Town Attorney of the Town or any Assistant Town Attorney designated by the Town Attorney to act on the Town Attorney’s behalf or any person succeeding to the principal functions of the office.

“Town Clerk” means the Town Clerk of the Town or any Deputy Town Clerk designated by the Town Clerk to act on the Town Clerk’s behalf or any person succeeding to the principal functions of the office.

“Town Council” means the Town Council of the Town.

“Town Manager” means the Town Manager, or any Assistant Town Manager designated by the Town Manager to act on the Town Manager’s behalf, or the officer or officers succeeding to the principal functions of that office.

“Underwriter” means, Loop Capital Markets, LLC.

“Variable Rate” means, when used with respect to any Bonds, an interest rate which is subject to future change so that at the date any calculation of interest thereon is required to be made hereunder or under any Series Resolution, the interest payable at any future time or for any interest period (which is relevant to such calculation) is not known. For purposes of determining whether Additional Bonds may be issued, the interest rate on the proposed Variable Rate Bonds shall be deemed to be the “Assumed Interest Rate.” As used herein the “Assumed Interest Rate” shall be deemed to be the greater of (A) the sum of the average of the actual interest rates on seven day obligations for the immediately preceding 52 weeks (or if not available for the 52 week period, then for the period for which available), as shown by the Securities Industry and Financial Markets Association (“SIFMA”) Municipal Swap Index, published by Thompson Financial Services (or if such index is not published, a like 7 day index for high quality variable rate demand obligations selected by the Town) for such period, plus 50 basis points, or (B) the average of the interest rate which would have been applicable to such Variable Rate Bonds pursuant to the index or formula specified for determination of the interest on such Variable Rate Bonds during the immediately preceding 52 weeks (or if not available for such 52 week period, for the period for which available).

Section 103. Interpretations. Unless the context shall otherwise indicate, the words “Bond,” “owner,” “holder” and “person” (whether or not such words are capitalized) shall include the plural as well as the singular number, the word “person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, and the words “holder,” “bondholder” and “registered owner” (whether or not such words are capitalized) when

used herein with respect to Bonds issued hereunder shall mean the Holder or registered owner, as the case may be, of Bonds at the time issued and Outstanding hereunder.

Section 104. Resolution Constitutes Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution and any Series Resolution adopted pursuant hereto shall be deemed to be and shall constitute a contract between the Town and such Bondholders, and the covenants and agreements herein set forth to be performed by the Town shall be for the equal benefit, protection and security of the owners of any and all of the Bonds, all of which shall be of equal rank and without preference, priority, or distinction of any of the Bonds over any other thereof except as expressly provided therein and herein.

[END OF ARTICLE I]

## ARTICLE II

### DETAILS OF BONDS; ISSUANCE OF BONDS

Section 201. Limitation on Issuance of Bonds. No Bonds may be issued under the provisions of this Resolution except in accordance with the provisions of this Article.

Section 202. Form of Bonds. Except as otherwise may be provided herein or in a Series Resolution, all definitive Bonds are issuable as fully registered Bonds in substantially the form set forth in Exhibit "A" hereto, and in denominations as set forth herein or in any supplemental resolution adopted in accordance with this Resolution. All Bonds 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 Bonds may be listed or any usage or requirement of law with respect thereto.

Section 203. Details of Bonds. Each Bond shall be issued as part of a Series of Bonds, shall be dated, shall have such Interest Payment Dates, shall bear interest from such date or dates and at such rate or rates until the maturity thereof, payable on such Interest Payment Dates, and shall be stated to mature (subject to the right of prior redemption), all as provided herein.

Unless otherwise provided in the applicable Series Resolution pursuant to which each Series of Bonds is issued, each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (i) authenticated upon any Interest Payment Date in which event it shall bear interest from such Interest Payment Date or (ii) authenticated before the first Interest Payment Date in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Unless otherwise provided in the applicable Series Resolution, the Bonds shall be executed with the signatures or facsimile signatures of the Mayor and Town Clerk and a facsimile of the official seal of the Town shall be impressed or imprinted thereon.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such person had remained in office until such delivery, and also any Bonds may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such Bonds shall be the proper officers to sign such Bonds although at the date of such Bonds such persons may not have been such officers.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided herein, the principal of all Bonds shall be payable at the principal corporate trust office of the Bond Registrar upon the presentation and surrender of such Bonds as the same shall become due and payable.

Except to the extent otherwise provided as to any Series of Bonds in the applicable Series Resolution, interest on any Bond is payable on any Interest Payment Date by check or draft mailed to the person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Record Date for such Interest Payment Date; provided, however, that the Holder of Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Holder to the bank account number on file with the Paying Agent, upon written request to the Paying Agent received prior to the Record Date preceding any Interest Payment Date, which written request shall specify the bank (which shall be a bank within the continental United States) and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed by written notice to the Paying Agent received prior to the Record Date preceding any Interest Payment Date.

Section 204. Authentication of Bonds. Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Bond Registrar shall be entitled to any benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication on the Bond shall have been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time.

Section 205. Exchange of Bonds. Bonds, upon surrender thereof at the principal office of the Bond Registrar, together with an assignment duly executed by the Holder or such Holder's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by this Resolution and bearing interest at the same rate as the registered Bonds surrendered for exchange.

Section 206. Registration of Transfer of Bonds. The Bond Registrar shall keep books for the registration, exchange and registration of transfer of Bonds as provided in this Resolution. The Bond Registrar shall evidence acceptance of the duties, obligations and responsibilities of Bond Registrar by execution of the certificate of authentication on the Bonds.

The transfer of any Bond may be registered only upon the books kept for the registration of transfer of Bonds upon surrender of such Bond to the Bond Registrar, together with an assignment duly executed by the Holder or such Holder's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar.

Upon any such exchange or registration of transfer, the Town shall execute (in the manner provided in Section 203 hereof) and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new registered Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Resolution, in the aggregate

principal amount equal to the principal amount of such Bond surrendered, of the same Series and maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Town shall execute (in the manner provided in Section 203 hereof) and the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. No service charge shall be made for any registration of transfer or exchange of Bonds, but the Town and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Bonds. The Bond Registrar shall not be required (i) to register the transfer of or to exchange Bonds during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Bonds under this Resolution and ending at the close of business on the day of such mailing or (ii) to register the transfer of or to exchange any Bond so selected for redemption in whole or in part.

Section 207. Ownership of Bonds. The Town, any Paying Agent and the Bond Registrar, and any other agent of the Town, may treat the person in whose name any Bond is registered on the books of the Town kept by the Bond Registrar pursuant to Section 206 hereof as the Holder of such Bond for the purpose of receiving payment of principal of and redemption premium, if any, and interest on such Bond, and for all other purposes whatsoever, whether such Bond be overdue, and, to the extent permitted by law, neither the Town, any Paying Agent, the Bond Registrar nor any such agent shall be affected by any notice to the contrary.

Section 208. Issuance and Details of the Series 2010 Bonds.

(a) Authorization. There shall be issued under and secured by this Resolution the Series 2010 Bonds of the Town. The Series 2010 Bonds shall be issued in the aggregate principal amount not to exceed Eight Million Three Hundred Thousand Dollars (\$8,300,000), with the exact aggregate principal amount of said Series 2010 Bonds to be determined by the Town Manager as set forth in the Bond Purchase Agreement referred to below and the Details Certificate of the Town Manager. The Series 2010 Bonds shall be issued for the purpose of providing funds, together with other available moneys, to (i) pay all or a portion of the cost of the Project, which may include capitalized interest, (ii) make a deposit to the Reserve Fund in respect of the Series 2010 Bonds, if necessary, and (iii) pay the costs of issuance of the Series 2010 Bonds.

The Series 2010 Bonds may be issued as Tax-Exempt Bonds or Build America Bonds (Direct Payment) or any combination thereof; provided, however, that the aggregate principal amount of all such Bonds shall not exceed \$8,300,000. Any Series 2010 Bonds issued as Tax-Exempt Bonds shall be designated as “Town of Miami Lakes, Florida Special Obligation Bonds, Series 2010A (Government Center Project)” and any Series 2010 Bonds issued as Build America Bonds (Direct Payment) shall be designated as “Town of Miami Lakes, Florida Special Obligation Bonds, Federally Taxable Series 2010B (Government Center Project) (Build America Bonds - Direct Payment).” In the event that it is determined that no Tax-Exempt Bonds shall be issued hereunder and only Build America Bonds (Direct Payment) are to be issued, then the

designation of such Bonds shall be “Town of Miami Lakes, Florida Special Obligation Bonds, Federally Taxable Series 2010 (Government Center Project) (Build America Bonds - Direct Payment).” The Town Manager shall determine the exact amount of Series 2010 Bonds, if any, to be issued as Tax-Exempt Bonds and the exact amount of Series 2010 Bonds, if any, to be issued as Build America Bonds (Direct Payment).

The Series 2010 Bonds shall be executed in the manner set forth in this Resolution and shall be deposited with the Bond Registrar for authentication but prior to or simultaneously with the authentication and delivery of the Series 2010 Bonds there shall be filed with the Town Manager the following documents and opinions:

- (i) a copy, certified by the Town Clerk of the Authorizing Ordinance;
- (ii) a copy, certified by the Town Clerk, of this Resolution;
- (iii) an opinion of the Town Attorney to the effect that this Resolution has been duly adopted by the Town Council and is in full force and effect;
- (iv) an opinion or opinions of Bond Counsel to the effect that (A) this Resolution has been duly adopted by the Town Council, is in full force and effect and is enforceable in accordance with its terms, (B) the issuance of the Series 2010 Bonds has been duly and validly authorized, (C) the Pledged Revenues have been lawfully pledged, to the extent described in this Resolution, for the payment of the Series 2010 Bonds, (D) the Series 2010 Bonds constitute special obligations of the Town payable in accordance with the provisions of this Resolution and (E) interest on that portion, if any, of the Series 2010 Bonds issued as Tax-Exempt Bonds is excluded from gross income for federal income tax purposes; provided, however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors’ rights and judicial discretion; and
- (v) any additional documents or opinions as Bond Counsel, the Underwriter of the Series 2010 Bonds or their counsel may reasonably require.

When (i) the documents mentioned above shall have been filed with the Town Manager, (ii) the Series 2010 Bonds shall have been executed by the Town and authenticated by the Bond Registrar as required by this Resolution, and (iii) the Underwriter has paid to the Town the purchase price of the Series 2010 Bonds, then the Bond Registrar shall deliver such Series 2010 Bonds at one time to or upon the order of the Underwriter as set forth in the Bond Purchase Agreement.

The proceeds of the Series 2010 Bonds shall be applied by the Town in the manner provided in a certificate of the Finance Director to be delivered prior to or simultaneously with the issuance of the Series 2010 Bonds.

(b) Form, Denominations, Date, Interest Rates and Maturity Dates. The Series 2010A Bonds and the Series 2010B Bonds shall each be issued in fully registered form in

denominations of \$5,000 and any integral multiple thereof and shall be numbered consecutively from R\_\_\_-1 upwards (with the blank filled in with the appropriate letter to reflect the series designation, if any). Interest on the Series 2010 Bonds shall be payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2011 (or such earlier or later date as shall be determined by the Town Manager), as more particularly described in the form of Series 2010 Bond attached hereto as Exhibit A. Each of the Series 2010A Bonds and the Series 2010B Bonds shall be issued in such principal amounts, not to exceed \$8,300,000 in the aggregate, shall be dated as of such date or dates, shall consist of Serial Bonds and/or Term Bonds, shall be Tax-Exempt Bonds and/or Build America Bonds (Direct Payment), shall mature on such dates, in such year or years, but not later than thirty-one (31) years from their dated date, shall be sold at a purchase price (not including original issue premium or original issue discount) of not less than [99.0%] of the original principal amount of the Series 2010 Bonds, shall bear interest at such rates, provided that the aggregate true interest cost rate (the "TIC") shall not exceed [5.5%] (the "Maximum TIC") and provided further that for purposes of compliance with the Maximum TIC requirement the TIC for any Series 2010 Bonds issued as Build America Bonds (Direct Payment) shall be calculated net of direct cash subsidy payments to be received with respect to such Bonds, as to any Term Bonds, shall have such Amortization Installments, and shall be subject to redemption prior to maturity, all as shall be determined by the Town Manager, and set forth in a certificate of the Town Manager delivered on or prior to the date of issuance of the Series 2010 Bonds (the "Details Certificate of the Town Manager"). The execution and delivery of the Details Certificate of the Town Manager shall be conclusive evidence of the Town Council's approval of the final terms and provisions of the Series 2010 Bonds.

The Series 2010 Bonds 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 any usage or requirement of law with respect thereto. The execution and delivery of the Series 2010 Bonds substantially in the form mentioned above is hereby authorized, and the execution of the Series 2010 Bonds for and on behalf of the Town, with a facsimile or manual signature, by the Mayor with the official seal of the Town impressed or imprinted thereon and attested, with a facsimile or manual signature, by the Town Clerk, and hereby authorized and shall be conclusive evidence of any such approval.

All payments of interest on the Series 2010 Bonds shall be made by check mailed to the owners in whose names Series 2010 Bonds are registered on the Record Date; provided, however, that the Holder of Series 2010 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer as provided in Section 203 hereof. Interest on the Series 2010 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(c) Optional Redemption. The Series 2010 Bonds may be subject to redemption prior to maturity at the option of the Town, in whole or in part on any date (in such manner of selection of maturities as the Town shall determine and by lot within a maturity) and at the redemption prices, as approved and determined by the Town Manager; provided, however, that the first optional redemption date shall not be later than ten (10) years after the date of issuance of the Series 2010 Bonds and the redemption price of the Series 2010 Bonds shall not exceed one hundred percent (100%) of the principal amount of the Series 2010 Bonds to be redeemed. The execution and delivery of the Details Certificate of the Town Manager shall be conclusive

evidence of the Town Council's approval of the optional redemption provisions relating to the Series 2010 Bonds.

(d) Make-Whole Optional Redemption. In addition to the optional redemption of Series 2010 Bonds provided in Section 208(c) hereof, the Town Manager may provide that the Series 2010B Bonds shall be subject to optional redemption prior to maturity at the option of the Town, on any date prior to ten (10) years from the date of issuance of the Series 2010B Bonds, in whole or in part at any time, and if in part, in maturities selected by the Town as set forth in the Details Certificate of the Town Manager, at a redemption price of not to exceed the greater of:

- (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed; or
- (ii) The sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus not less than \_\_ basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to the redemption date. The execution and delivery of the Details Certificate of the Town Manager shall be conclusive evidence of the Town Council's approval of the make-whole optional redemption provisions relating to the Series 2010B Bonds.

(e) Mandatory Sinking Fund Redemption. The Series 2010 Bonds consisting of Term Bonds, if any, shall be subject to mandatory sinking fund redemption prior to maturity to the extent of the Amortization Installments therefor at the principal amount of such Series 2010 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, but without premium, on each December 1 for which there is an Amortization Installment due on such Series 2010 Bonds. The Amortization Installments for the Series 2010 Bonds consisting of Term Bonds shall be as approved and determined by the Town Manager, as set forth in the Details Certificate of the Town Manager. The execution and delivery of the Details Certificate of the Town Manager shall be conclusive evidence of the Town Council's approval of the mandatory sinking fund redemption provisions relating to the Series 2010 Bonds.

(f) Extraordinary Optional Redemption. In addition to the optional redemption of Series 2010B Bonds provided for in Section 208(c) and (d) hereof, the Town Manager may provide that the Series 2010B Bonds shall be subject to extraordinary optional redemption at the option of the Town, on any business day prior to maturity at the option of the Town, in whole or in part, on any date prior to ten (10) years from the date of issuance of the Series 2010B Bonds, in maturities selected by the Town as set forth in the Details Certificate of the Town Manager, upon the occurrence of an Extraordinary Event (hereinafter defined), at a redemption price of not to exceed the greater of:



- (i) 100% of the principal amount of the Series 2010B Bonds to be redeemed;  
or
- (ii) The sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (hereinafter defined), plus not less than \_\_\_ basis points;

plus, in each case, accrued interest on the Series 2010B Bonds to the redemption date. The execution and delivery of the Details Certificate of the Town Manager shall be conclusive evidence of the Town Council's approval of the extraordinary optional redemption provisions relating to the Series 2010B Bonds.

An "Extraordinary Event" will have occurred if a material adverse change has occurred to Sections 54AA or 6431 of the Code which are applicable to the Build America Bonds (Direct Payment) pursuant to which the Town's direct cash subsidy payments from the United States Treasury are reduced or eliminated.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2010B Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days, but not more than 45 calendar days (excluding inflation indexed securities), or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2010B Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(g) Reserve Fund Requirement for Series 2010 Bonds. The Town Council hereby authorizes the Town Manager to establish a Reserve Fund Requirement for all or a portion (which may be none) of the Series 2010 Bonds if the Town Manager determines that a Reserve Fund Requirement is in the best interests of and advantageous to the Town. The Town Manager shall determine the amount of the Reserve Fund Requirement, if any, for each Series of the Series 2010 Bonds, subject to the provisions of this Resolution. If the Town Manager determines that the establishment of a Reserve Fund Requirement for a Series of the Series 2010 Bonds is in the best interests of and advantageous to the Town, the Town Manager shall make further determinations as to whether the Reserve Fund Requirement shall be funded from the proceeds of the Series 2010 Bonds, other moneys available to the Town, a Reserve Fund Insurance Policy, a Reserve Fund Letter of Credit or a combination of the foregoing; provided, however, that any Reserve Account Requirement established for Series 2010 Bonds issued as Tax-Exempt Bonds must comply with the requirements of the Code. The determinations required to be made by the Town Manager pursuant to this Section 208(g) shall be made prior to

the execution of the Bond Purchase Agreement and shall be set forth in an exhibit to said Bond Purchase Agreement and in the Details Certificate of the Town Manager, together with all of the other details of the Series 2010 Bonds required to be determined by the Town Manager. The execution and delivery of the Bond Purchase Agreement by Mayor or the Town Manager shall be conclusive evidence of the Town Council's approval of the determinations to be made by the Mayor or the Town Manager pursuant to this Section 208(g).

(h) Approval of Form of Paying Agent and Bond Registrar Agreement; Designation of Paying Agent and Bond Registrar. The execution and delivery of the Paying Agent and Bond Registrar Agreement is hereby authorized and approved. The Town Council hereby authorizes and directs the Town Manager to determine the final provisions of the Paying Agent and Bond Registrar Agreement. The Mayor or the Town Manager is hereby authorized to execute and the Town Clerk is hereby authorized to attest to, seal and deliver the Paying Agent and Bond Registrar Agreement in substantially the form approved at this meeting and attached hereto as Exhibit "B," subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney and Bond Counsel. The execution, attestation and delivery of the Paying Agent and Bond Registrar Agreement, as described herein, shall be conclusive evidence of the Town Council's approval of any such determinations, changes, insertions, omissions or filling in of blanks. \_\_\_\_\_, is hereby designated to serve as Paying Agent and as Bond Registrar for the Series 2010 Bonds under this Resolution.

(i) Confirmation of Findings Regarding Negotiated Sale. In accordance with Section 218.385, Florida Statutes, the Town Council found, determined and declared in the Authorizing Ordinance, based upon the advice of its Financial Advisor for the Series 2010 Bonds, that a negotiated sale of the Series 2010 Bonds is in the best interests of the Town for the reasons set forth in Section 3(b) of the Authorizing Ordinance. The Town council hereby confirms its findings in Section 3(b) of the Authorizing Ordinance and the need for a negotiated sale of the Series 2010 Bonds.

(j) Award. The Town Council hereby approves the Bond Purchase Agreement in substantially the form presented to this meeting and attached hereto as Exhibit "C," with such variations, omissions and insertions as may be necessary to evidence the final terms of the Series 2010 Bonds. Upon compliance by the Underwriter with the requirements of Section 218.385(6) and Section 287.133, Florida Statutes, the Town Manager is authorized to finalize the terms of the Bond Purchase Agreement, and the Mayor or the Town Manager are authorized to execute and to deliver said Bond Purchase Agreement to the Underwriter. The Town hereby approves the negotiated sale of the Series 2010 Bonds to the Underwriter upon the terms and conditions set forth herein and as set forth in the Bond Purchase Agreement. The Town hereby authorizes and directs the Town Manager to determine the final provisions of the Bond Purchase Agreement, within the parameters for the Series 2010 Bonds set forth in Section 208 of this Resolution, and authorizes and directs the Mayor or the Town Manager to execute the Bond Purchase Agreement in substantially the form approved at this meeting and attached hereto as Exhibit "C," subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney and Bond Counsel. The execution, attestation and delivery of the Bond Purchase Agreement by the Mayor or the Town Manager shall be conclusive evidence of the Town

Council's approval of any such determinations, changes, insertions, omissions or filling in of blanks.

(k) Approval of Preliminary Official Statement and Official Statement. The use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offering of the Series 2010 Bonds for sale by the Underwriter was previously approved by the Town Council pursuant to the Preliminary Official Statement Resolution and the Preliminary Official Statement was "deemed final" for purposes of the Rule by the execution of a "deemed final" certificate by the Town Manager. The Mayor and the Town Manager are authorized and directed to execute and deliver a final Official Statement in the name and on behalf of the Town, and thereupon to cause such Official Statement to be delivered to the Underwriter within seven (7) Business Days of the execution of the Bond Purchase Agreement, but not later than two (2) days prior to the date of delivery of the Series 2010 Bonds, with such variations, omissions and insertions as may be determined by the Town Manager. The final Official Statement shall be in substantially the form of the Preliminary Official Statement, and with such terms and provisions as modified to incorporate the final terms of the sale of the Series 2010 Bonds, subject to such changes, modifications, deletions and additions as the Town Manager may deem necessary and appropriate, the execution of the final Official Statement for and on behalf of the Town by the Mayor and the Town Manager being conclusive evidence of the Town Council's approval of any such changes.

(l) Continuing Disclosure Agreement. In order to implement the continuing disclosure covenants contained in Section 609 hereof with respect to the Series 2010 Bonds, the Town Council hereby authorizes and directs the Mayor or the Town Manager to execute and the Town Clerk to attest to, seal and deliver the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in substantially the form approved at this meeting and attached hereto as Exhibit "D," subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney and Bond Counsel. The execution, attestation and delivery of the Continuing Disclosure Agreement by the Mayor or the Town Manager and the Town Clerk shall be conclusive evidence of the Town Council's approval of any such determinations, changes, insertions, omissions or filling in of blanks. [Digital Assurance Certification, LLC ("DAC") is hereby appointed as the initial Dissemination Agent under the Continuing Disclosure Agreement.]

(m) Use of Proceeds of Series 2010 Bonds. The proceeds received from the sale of the Series 2010 Bonds herein authorized, together with other available moneys of the Town, if any, shall be applied, withdrawn and transferred, as applicable, for the purposes stated in and in a manner consistent with the Estimated Sources and Uses of Funds section of the final Official Statement for the Series 2010 Bonds and the Bond Purchase Agreement. The specific amounts to be deposited in the Funds and Accounts established by this Resolution for the Series 2010 Bonds shall be set forth in a certificate to be delivered by the Finance Director simultaneously with the delivery of the Series 2010 Bonds.

(n) Book-Entry Only System. The Series 2010 Bonds are to be issued as uncertificated securities, pursuant to the book-entry only system maintained by The Depository Trust Company of New York, New York ("DTC"), subject to the terms and provisions of

Section 213 hereof. Upon initial issuance of the Series 2010 Bonds, and until the Series 2010 Bonds are no longer maintained through DTC's book-entry only system, the Registered Owner of all the Series 2010 Bonds shall be, and the Series 2010 Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. The Series 2010 Bonds shall be initially issued in the form of separate single typewritten Bonds for each maturity of each Series of the Series 2010 Bonds.

In order to implement the book-entry only system for the Series 2010 Bonds, the Town Council hereby authorizes and directs the Mayor or the Town Manager to execute and deliver such letter of representations or any similar agreement (the "DTC Blanket Letter of Representations") as shall be required by DTC. The DTC Blanket Letter of Representations shall be in substantially the form approved at this meeting and attached hereto as Exhibit "E," subject to such changes, insertions and omissions and filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney and Bond Counsel. The execution and delivery of the DTC Blanket Letter of Representations by the Mayor or the Town Manager shall be conclusive evidence of the Town Council's approval of any such charges, insertions or filling in of blanks.

(o) Consultation by Town Manager. Whenever in this Section 208 the Town Manager is required to make a determination as to the details of the Series 2010 Bonds or with respect to the documents to be entered into by the Town in connection with such Series 2010 Bonds, the Town Manager shall be entitled to engage in such consultation, as the Town Manager deems necessary, with the Finance Director, the Town Attorney, the Financial Advisor and Bond Counsel, as well as any other officials of the Town as the Town Manager deems appropriate.

Section 209. Additional Bonds for Capital Improvements. In addition to the Bonds authorized under the provisions of Section 208 of this Article, one or more Series of Additional Bonds of the Town may be authorized to be issues by a Series Authorizing Ordinance and be issued under and secured by this Resolution, on a parity as to the pledge of the Pledged Revenues with the Bonds theretofore issued under and secured by this Resolution and then Outstanding, subject to the conditions hereinafter provided in this Section 209, from time to time for the purpose of paying all or any part of the cost of any capital improvements for Projects authorized by a Series Resolution. Each such Series of Additional Bonds issued pursuant to this Section 209 shall be designated as "Town of Miami Lakes, Florida Special Obligation Bonds, Series \_\_\_\_ (\_\_\_\_\_ Project)", with the year in which such Series of Additional Bonds is issued inserted in the first foregoing space and the description of the Project to be financed inserted in the last space, and, if more than one Series is to be issued in a year, with an appropriate letter (commencing with "A") inserted after the year to distinguish each Series issued in such year from the other Series issued in such year.

Before any Additional Bonds shall be issued under the provisions of this Section, the Town Council shall enact a Series Authorizing Ordinance authorizing the Additional Bonds as required by the Charter and shall also adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing (or providing for the fixing of) the amount and the details thereof, and describing in brief and general terms the capital improvements to be constructed or acquired. The Additional Bonds of each Series issued under the provisions of this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such date or dates, in such year or years not more than forty (40) years after the date of issuance of the

Additional Bonds, shall bear interest at such rate or rates, fixed or variable, shall have such optional tender features and Credit Facility or Insurance Policy, shall have such Bond Registrar and Paying Agent, may be in the form of Current Interest Bonds or Capital Appreciation Bonds, Tax-Exempt Bonds or Taxable Bonds, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Resolution), all as may be provided for in, or pursuant to, the Series Resolution for such Additional Bonds. Except as to any Credit Facility or Insurance Policy and as to any difference in the maturities thereof or the rate or rates of interest or the provisions for redemption and except for such differences, if any, respecting the use of moneys in the various Funds and Accounts created herein, such Series of Additional Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds theretofore or thereafter issued under this Resolution.

Such Additional Bonds shall be executed in the form and manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Additional Bonds, and shall be deposited with the Bond Registrar for authentication and delivery, but before such Additional Bonds shall be delivered by the Bond Registrar, there shall be filed with the Town Manager the following:

(a) a copy, certified by the Town Clerk, of the Series Authorizing Ordinance authorizing the issuance of such Additional Bonds;

(b) copies, certified by the Town Clerk, of this Resolution and the Series Resolution for such Series of Additional Bonds;

(c) if applicable, a copy, certified by the Town Clerk, of the resolution adopted by the Town awarding such Additional Bonds to the initial purchasers or underwriters, or approving the form of the Bond Purchase Agreement specifying the interest rate or rates for such Additional Bonds, or if such Additional Bonds are Variable Rate Bonds, the initial interest rate and the manner of determining the interest rates on such Additional Bonds in the future and directing the delivery of such Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth (provided that such matters may be set forth in the Series Resolution);

(d) a certificate of the Finance Director demonstrating that the percentage derived by dividing the amount of the Electric Utility Tax Revenues received by the Town during any twelve (12) consecutive months in the eighteen (18) months next preceding the date of delivery of the Additional Bonds then requested to be delivered, by the Maximum Principal and Interest Requirements, including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred twenty-five per centum (125%);

(e) an opinion of Bond Counsel to the effect that (i) the Series Authorizing Ordinance referred to in clause (a) above has been duly enacted by the Town, (ii) this Resolution and the Series Resolution referred to in clause (b) above each have been duly adopted by the Town, (iii) the issuance of such Additional Bonds has been duly and validly authorized, (iv) the Pledged Revenues have been lawfully pledged, to the extent described in this Resolution, for the payment

of the Additional Bonds, (v) such Additional Bonds constitute special obligations of the Town payable in accordance with the provisions of this Resolution and (vi) the interest on such Additional Bonds is excluded from gross income for federal income tax purposes (to the extent such Bonds are being issued as Tax-Exempt Bonds);

(f) an opinion of the Town Attorney to the effect that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

(g) a certificate of the Finance Director to the effect that no event of default, as defined in Section 701 of this Resolution and no event which with the passage of time, the giving of notice or both would become an event of default, has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing.

In determining whether to execute and deliver the certificate mentioned in clause (d) of this Section 209, if the rates for the Electric Utility Tax shall have been revised by the Town or by general law applicable thereto, and such revision of such rates shall have gone into effect prior to the issuance of such Additional Bonds, the amount of the Electric Utility Tax Revenues which would have been realized during the twelve (12) consecutive month period (described in (d) above) required to be examined and reported upon in said certificate had such revised rates gone into effect or such additional revenues had been pledged on the first day of such period may be used by the Finance Director.

When the documents mentioned above in this Section 209 shall have been filed with the Town Manager and when the Additional Bonds shall have been executed by the Town and authenticated by the Bond Registrar as required by this Resolution, the Bond Registrar shall deliver such Additional Bonds at one time to or upon the order of the purchasers thereof, but only upon payment to the Finance Director of the purchase price of such Additional Bonds. The Finance Director shall be entitled to rely upon such resolutions as to all matters stated therein.

Simultaneously with the delivery of such Additional Bonds, the Finance Director shall apply the proceeds of such Additional Bonds, as follows:

- (1) deposit the accrued interest, if any, received to the credit of the Interest Account;
- (2) deposit in the Interest Account the amount, if any, equal to the interest on such Additional Bonds to be paid from the proceeds thereof;
- (3) deposit to the credit of the Reserve Fund (or a separate Account therein) the amount, if any, equal to the amount, authorized by the Town, as provided for in the Series Resolution relating to such Additional Bonds; and
- (4) apply the balance of such proceeds as provided in the Series Resolution providing for the issuance of such Additional Bonds.

Section 210. Refunding Bonds. One or more Series of Refunding Bonds of the Town may be issued from time to time under and secured by this Resolution, subject to the conditions

hereinafter provided in this Section, for the purpose of providing funds for refunding all or any Bonds of any one or more Series of Bonds then Outstanding, including the payment of any redemption premium thereon and interest that will accrue on such Bonds to the redemption date or stated maturity date or dates, funding any Funds and Accounts hereunder and paying any expenses in connection with such refunding and for any related lawful purpose. Each such Series of Refunding Bonds shall be designated as “City of Miami, Florida Special Obligation Refunding Bonds, Series \_\_\_\_\_”, with the year in which such Series of Refunding Bonds is issued inserted in the foregoing space and, if more than one Series is to be issued in a year, with an appropriate letter (commencing with “A”) inserted after the year to distinguish each Series issued in such year from the other Series issued in such year. Such Refunding Bonds shall be appropriately designated, shall be dated, shall be stated to mature in such principal amount or amounts, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, may be secured by an Insurance Policy or a Credit Facility and may be made redeemable at such times and prices (subject to the provisions of Article III of this Resolution), all as may be provided for in, or pursuant to, the Series Resolution authorizing the issuance of such Series of Refunding Bonds. Except as to any Credit Facility or Insurance Policy and as to any difference in the maturities thereof or the rate or rates of interest or the provisions for redemption and except for such differences, if any, respecting the use of moneys in the various Funds and Accounts created herein, such Series of Refunding Bonds shall be on a parity with and shall be entitled to the same benefit and security of this Resolution as all other Bonds theretofore or thereafter issued under this Resolution.

Prior to or simultaneously with the authentication and delivery of such Refunding Bonds by the Bond Registrar to or upon the order of the purchasers thereof or the designated representative, there shall be filed with the Town Manager the following documents and opinions:

(a) a copy, certified by the Town Clerk, of the Series Authorizing Ordinance authorizing the issuance of such Refunding Bonds;

(b) copies, certified by the Town Clerk, of this Resolution and the Series Resolution adopted by the City, approving the sale of such Refunding Bonds to the purchasers thereof and directing the delivery of such Refunding Bonds to or upon the order of such purchasers upon payment of the purchase price therein set forth and the accrued interest, if any, thereon;

(c) an opinion of Bond Counsel to the effect that (i) the Series Authorizing Ordinance referred to in clause (a) above has been duly enacted by the Town, (ii) this Resolution and the Series Resolution referred to in clause (b) above each have been duly adopted by the Town, (iii) the issuance of such Refunding Bonds has been duly and validly authorized, (iv) the Pledged Revenues have been lawfully pledged, to the extent described in this Resolution, for the payment of the Refunding Bonds, (v) such Refunding Bonds constitute special obligations of the Town payable in accordance with the provisions of this Resolution and (vi) the interest on such Refunding Bonds is excluded from gross income for federal income tax purposes (to the extent such Bonds are being issued as Tax-Exempt Bonds);

(d) an opinion of the Town Attorney to the effect that the issuance of such Refunding Bonds has been duly authorized and that all conditions precedent to the delivery of such Refunding Bonds have been fulfilled; and

(e) any additional documents or opinions as Bond Counsel, the initial purchasers of such Refunding Bonds or their counsel or any Credit Bank or Insurer or its counsel may reasonably require.

The Bond Registrar, however, shall not deliver such Refunding Bonds unless the Town Manager has also received:

- (I) if the Bonds to be refunded do not mature or are not being redeemed on the date of delivery of the Refunding Bonds, a written verification of an Accountant that the proceeds (excluding accrued interest) of such Refunding Bonds, together with any other available money, deposited with a Depositary, acting as escrow agent solely for the Holders of such Bonds to be refunded, and the interest that shall accrue upon any Defeasance Obligations acquired pursuant to clause (II) below of this Section, shall be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded and the interest that will accrue thereon to the respective redemption and/or maturity dates, as applicable; and
- (II) (A) a Certificate of the Finance Director showing that the aggregate Principal and Interest Requirements on account of all Bonds Outstanding (after the issuance of such Refunding Bonds and after the redemption or provision for payment of the Bonds to be refunded) following the Fiscal Year in which such Refunding Bonds are to be delivered shall not exceed the aggregate Principal and Interest Requirements on account of all the Bonds Outstanding (including the Bonds to be refunded) immediately prior to the issuance of such Refunding Bonds following the Fiscal Year in which such Refunding Bonds are to be delivered; (B) the net present value of the aggregate Principal and Interest Requirements on account of all Bonds Outstanding (after the issuance of such Refunding Bonds and after the redemption or provision for payment of the Bonds to be refunded) following the Fiscal Year in which such Refunding Bonds are to be delivered is less than the net present value of the aggregate Principal and Interest Requirements on account of all Bonds Outstanding (including the Bonds to be refunded) immediately prior to the issuance of such Refunding Bonds following the Fiscal Year in which such Refunding Bonds are to be delivered; or (C) assuming the Bonds to be refunded are not then Outstanding, a certificate of the Finance Director demonstrating that the percentage derived by dividing the amount of the Electric Utility Tax Revenues received by the Town during any twelve (12) consecutive months in the eighteen (18) months next preceding the date of delivery of the Refunding Bonds then requested to be delivered, by the Maximum Principal and Interest Requirements on all Outstanding Bonds, including the Principal and Interest Requirements with respect to the Refunding Bonds then to be delivered (but not including the Bonds to be refunded), for any future Fiscal Year is not less than one hundred twenty-five per centum (125%); provided, however, that for



purposes of the calculation required by this subclause (C) in connection with the issuance of Refunding Bonds pursuant to a forward refunding or forward delivery or other such similar arrangements, the “date of delivery” of the Refunding Bonds shall be deemed to be the date on which the contract or agreement providing for such forward refunding, forward delivery or other similar arrangement is executed and delivered (instead of the actual future date of delivery of the Refunding Bonds).

After provision for payment of the expenses incident to such refunding, the proceeds of such Refunding Bonds (including accrued interest) and any other funds made available by the Town shall be applied by the Finance Director simultaneously with the delivery of the Refunding Bonds as follows:

(1) the accrued interest received as part of the proceeds of such Refunding Bonds shall be deposited to the credit of the Interest Account;

(2) if the Bonds to be refunded do not mature or are not being redeemed on the date of delivery of the Refunding Bonds, an amount that, together with the interest that shall accrue on the Defeasance Obligations acquired pursuant to this clause (2), shall be sufficient to pay the principal of and redemption premium, if any, and the interest on the Bonds to be refunded hereunder, shall be paid to a Depositary, acting as escrow agent, for deposit to the credit of a special account, appropriately designated, to be held in trust for the sole and exclusive purpose of paying such principal, redemption premium and interest on the Bonds to be refunded; and money held for the credit of such account shall, as nearly as may be practicable and reasonable, be invested and reinvested in Defeasance Obligations that shall mature or be subject to redemption by the holder thereof only at the option of such holder, at such time or times as shall be necessary or desirable to effectuate the purpose of such Refunding Bonds as stated in the Series Resolution mentioned in clause (b) of this Section;

(3) if the Bonds to be refunded mature or are being redeemed on the date of delivery of the Refunding Bonds, the amount necessary to pay or redeem the Bonds shall be applied for such purposes; and

(4) any other amounts shall be applied as provided in the Series Resolution providing for the issuance of such Refunding Bonds.

Section 211. Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and upon request of the Town, the Bond Registrar shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, typewritten, printed, engraved or lithographed temporary Bonds, in the form of fully registered Bonds, substantially of the tenor of the Bonds set forth in this Resolution and the applicable Series Resolution and with such appropriate omissions, insertions and variations as may be required.

Until definitive Bonds are ready for delivery, any temporary Bond, if so provided by the Town by resolution, may be exchanged at the principal corporate trust office of the Bond Registrar, without charge to the Holder thereof, for an equal aggregate principal amount of

temporary fully registered Bonds of authorized denominations, of like tenor, of the same maturity and bearing interest at the same rate.

If temporary Bonds shall be issued, the Town shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Registrar, and the Bond Registrar, upon presentation to it at its principal office of any temporary Bond, shall cancel the same and authenticate and deliver in exchange therefor at the place designated by the Holder, without charge to the Holder thereof, a definitive Bond or Bonds of an equal aggregate principal amount, of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Resolution as the definitive Bonds to be issued and authenticated hereunder.

Section 212. Mutilated, Destroyed, Stolen or Lost Bonds. In case any Bond secured hereby shall become mutilated or be destroyed, stolen or lost, the Town shall cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like date and tenor in exchange and substitution for such mutilated Bond or in lieu of and in substitution for such Bond destroyed, stolen or lost, and the Holder shall pay the reasonable expenses and charges of the Town and the Bond Registrar in connection therewith and, in case of a Bond destroyed, stolen or lost, the Holder shall file with the Bond Registrar evidence satisfactory to it and to the Town that such Bond was destroyed, stolen or lost, and of such Holder's ownership thereof, and shall furnish the Town and the Bond Registrar indemnity satisfactory to them.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond that is mutilated, destroyed, stolen or lost shall constitute an additional contractual obligation of the Town, whether the destroyed, stolen or lost Bond 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 Bonds duly issued under this Resolution. All Bonds 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, stolen or lost Bonds, 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 213. Book-Entry Only System.

(a) The provisions of this Section may be changed or varied with respect to any Series of Bonds for the purposes of (1) complying with the requirements of any automated depository and clearinghouse for securities transactions and (2) effectuating any book-entry only registration and payment system. During any and all times that any Series of Bonds is registered in the name of any securities depository pursuant to a book-entry only system of registration, such securities depository shall for all purposes under this Resolution be considered the registered owner of such Bonds and all references herein to the registered owners or holders shall mean such securities depository. The Town, the Paying Agent and the Bond Registrar shall not have any obligation with respect to any depository participant or beneficial owner of the Bonds during such time as the Bonds are registered in the name of a securities depository pursuant to a book-entry only system of registration.

(b) With respect to any Series of Bonds registered in the name of Cede & Co., as nominee of DTC, or otherwise held pursuant to a book-entry only system maintained by another depository, the Town, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any DTC participant (or any participant of such other depository) or to any beneficial owner (the “Beneficial Owner”) of Bonds. As to any Series of Bonds maintained through a book-entry only system, without limiting the immediately preceding sentence, the Town, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant (or any such other depository) with respect to any beneficial ownership interest in such Series of Bonds, (ii) the delivery to any DTC participant, any Beneficial Owner or any other person, other than DTC (or any such other depository), of any notice with respect to such Series of Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, any Beneficial Owner or any other person, other than DTC (or any such other depository), of any amount with respect to principal of, redemption premium, if any, or interest on such Series of Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Town, the Bond Registrar and the Paying Agent shall be entitled to treat and consider DTC (or any such other depository) as the absolute owner of such Series of Bonds for the purpose of payment of principal of, redemption premium, if any, and interest on such Series of Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Series of Bonds, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on such Series of Bonds only to or upon the order of DTC (or any such other depository then in effect) and all such payments shall be valid and effective to fully satisfy and discharge the Town’s obligations with respect to payment of principal of, redemption premium, if any, and interest on such Series of Bonds to the extent of the sum or sums so paid. No person other than DTC (or any such other depository then in effect) shall receive Bonds evidencing the obligation of the Town to make payments of amounts due pursuant to this Resolution. Upon delivery by DTC (or any such other depository then in effect) to the Town of written notice to the effect that DTC (or any such other depository then in effect) has determined to substitute a new nominee in place of an existing nominee, and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the Registered Owners at the close of business on the Record Date, the name of the existing nominee in this Resolution shall refer to such new nominee.

(c) (1) The securities depository may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Town and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law.

(2) The Town, in its sole discretion and without the consent of any other person, may terminate the services of a securities depository with respect to the Bonds if the Town determines that the continuation of the system of book-entry-only transfers through such securities depository is not in the best interests of the Beneficial Owners of the Bonds or is burdensome to the Town, and shall terminate the services of such securities depository with respect to the Bonds upon receipt by the Town and the Bond Registrar of written notice from the depository to the effect that it has received written notice from its participants having interest, as shown in the records of the depository, in an aggregate principal amount of not less than fifty percent (50%) of the applicable Series

of Bonds that: (i) the depository is unable to discharge its responsibilities with respect to the Series of Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series of Bonds be registered in the registration books kept by the Bond Registrar in the name of the depository's nominee is not in the best interest of the Beneficial Owners of the Series of Bonds.

(3) Upon the termination of the services of the depository with respect to a Series of Bonds pursuant to subsection (c)(2)(ii) hereof, or upon the discontinuance or termination of the services of the depository with respect to a Series of Bonds pursuant to subsection (c)(1) or subsection (c)(2)(i) hereof after which no substitute securities depository willing to undertake the functions of the existing depository hereunder can be found which, in the opinion of the Town, is willing and able to undertake such functions upon reasonable and customary terms, such Series of Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of the depository's nominee. In such event, the Town shall issue and the Bond Registrar shall authenticate bond certificates as requested by the depository of the like principal amount in authorized denominations to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial interest in the Bonds.

(4) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Series of Bonds are registered in the name of the depository's nominee, all payments with respect to the principal of, redemption premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to such depository as provided in the representation letter (or other similar document required by the depository) of the Town and the Bond Registrar addressed to the depository with respect to such Series of Bonds.

(5) In connection with any notice or other communication to be provided to Bondholders pursuant to this Resolution by the Town or the Bond Registrar with respect to any consent or other action to be taken by Bondholders, the Town or the Bond Registrar, as the case may be, shall establish a record date for such consent or other action and give the securities depository notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

[END OF ARTICLE II]

## ARTICLE III

### REDEMPTION OF BONDS

#### Section 301. Redemption of Bonds.

(a) The Bonds of each Series issued under the provisions of this Resolution may be made subject to mandatory, extraordinary mandatory and optional redemption by the Town, either in whole or in part, and at such times and prices as may be provided for in, or pursuant to, the Series Resolution providing for the issuance thereof.

(b) In addition, the Term Bonds of each Series are required to be redeemed to the extent of the Amortization Requirements, if any, therefor established by, or pursuant to, the Series Resolution providing for the issuance thereof.

(c) With respect to the Series 2010 Bonds issued under the provisions of this Resolution, the Series 2010 Bonds may be made subject to mandatory, extraordinary mandatory and optional redemption by the Town, either in whole or in part, and at such times and prices as provided in Section 208(c), (d), (e) and/or (f) hereof.

Section 302. Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in the minimum denomination authorized hereunder or by the applicable Series Resolution or in whole multiples of such minimum denomination, except that if, following any redemption in part of a Bond, the remaining principal amount Outstanding would not be the minimum authorized denomination or a whole multiple thereof, the Bond shall be redeemed in full. In selecting Bonds for redemption, the Town and the Bond Registrar shall treat each Bond as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum denomination authorized. Except as otherwise provided in this Resolution, or in a Series Resolution, if less than all of a Series of Bonds shall be called for redemption, the particular maturity or maturities of Bonds or portions of Bonds to be redeemed shall be selected by the Town and the particular Bonds of like maturity to be redeemed shall be selected by the Bond Registrar by such method as the Bond Registrar in its sole discretion deems fair and appropriate.

#### Section 303. Redemption Notice.

(a) Except as otherwise provided in a Series Resolution, at least thirty (30) days, but not more than sixty (60) days, before the redemption date of any Bonds, whether such redemption be in whole or in part, the Town shall cause a notice of any such redemption signed by the Town to be mailed, first class postage prepaid, to all Holders owning Bonds to be redeemed in whole or in part and to any Fiduciaries, but any defect in such notice or the failure so to mail any such notice to any Holder owning any Bonds to be redeemed shall not affect the validity of the proceedings for the redemption of any other Bonds to be redeemed. Each such notice shall set forth the name of the Bonds or portions thereof to be redeemed, the date fixed for redemption, the redemption price to be paid, the Series, and if less than all the Bonds of a Series shall be called for redemption, the maturities of the Bonds to be redeemed, the CUSIP numbers, the name and address (including contact person and phone number) of the Fiduciary to which

Bonds called for redemption are to be delivered and, if less than all of the Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond and of the same Series and maturity and bearing the same interest rate will be issued. Any notice as provided herein shall be conclusively presumed to have been duly given, whether or not the owner of the Bond receives such notice.

If at the time of mailing of notice of an optional redemption, the Town shall not have deposited with a Depository acting as escrow agent or the Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Depository or Paying Agent, as the case may be, not later than the opening of business on the redemption date and, subject to the immediately succeeding paragraph, such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Depository or the Paying Agent, as applicable, for such redemption, or otherwise available, is insufficient to pay the redemption price and accrued interest on the Bonds so called for redemption on the redemption date, the Paying Agent shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Bonds to be redeemed by lot from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

(b) In the case of an optional redemption, any notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Bond Registrar, Paying Agent or a Depository acting as escrow agent no later than the redemption date or (2) the Town retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time on or prior to the redemption date if the Finance Director delivers a written direction to the Bond Registrar directing the Bond Registrar to rescind the redemption notice. The Bond Registrar shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Town to make such funds available shall constitute an event of default under this Resolution. The Bond Registrar shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

Section 304. Effect of Calling for Redemption. On the date fixed for redemption, notice having been mailed in the manner and under the conditions hereinabove stated, provided that such notice of redemption has not been rescinded as permitted above, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If on the date fixed for redemption money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by a Depository in trust for the Holders of Bonds to be redeemed, interest on the Bonds called for redemption shall cease to accrue after the date fixed for redemption; such Bonds shall cease to be entitled to any benefits or security under this Resolution or to be deemed Outstanding; and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption; provided, that such notice of redemption has not been rescinded, as permitted above. Bonds and portions of Bonds for which irrevocable instructions to pay or to call for redemption on one or more specified dates have been given to the Depository and the Bond Registrar in form satisfactory to them shall not thereafter be deemed to be Outstanding under this Resolution and shall cease to be entitled to the security of or any rights under this Resolution, other than rights to receive payment of the redemption price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in Section 303, and, to the extent hereinafter provided, to receive Bonds for any unredeemed portions of Bonds, if money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of such Bonds or portions thereof, together with accrued interest thereon to the date upon which such Bonds are to be paid or redeemed, as set forth in Article XI hereof, are held in separate accounts by the Depository in trust for the holders of such Bonds.

Section 305. Redemption of Portion of Bonds. If a portion of an Outstanding Bond shall be selected for redemption, the Holder thereof or such Holder's attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Town shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or such owner's legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond of the same Series and maturity and bearing interest at the same rate.

Section 306. Cancellation. Bonds so redeemed, presented and surrendered shall be cancelled upon the surrender thereof. Bonds so cancelled shall be destroyed by the Bond Registrar and a certificate of destruction shall be filed with the Finance Director by the Bond Registrar.

[END OF ARTICLE III]

## ARTICLE IV

### FUNDS AND ACCOUNTS

Section 401. Funds and Accounts. There are hereby created and designated the “Town of Miami Lakes Special Obligation Bonds Debt Service Fund” (the “Debt Service Fund”) and two accounts therein designated the “Principal Account” (the “Principal Account”) and the “Interest Account” (the “Interest Account”) and the “Town of Miami Lakes Special Obligation Bonds Reserve Fund” (the “Reserve Fund”), all of which Funds and Accounts shall be held in trust by the Paying Agent. There is hereby created and designated the “Town of Miami Lakes Special Obligation Bonds Rebate Fund” (the “Rebate Fund”), which fund shall be held in trust by the Town.

There is hereby created and designated the “Town of Miami Lakes Special Obligation Bonds Electric Utility Tax Revenues Fund” (the “Electric Utility Tax Revenues Fund”) to be held in trust by the Town for the benefit of the Holders of the Bonds. The Town hereby covenants that immediately upon the receipt thereof in each Fiscal Year, the Electric Utility Tax Revenues will be deposited in or credited to the Electric Utility Tax Revenues Fund created hereby. All moneys deposited in or credited to the Electric Utility Tax Revenues Fund shall be held in trust and applied only as provided in this Resolution, and pending such application, are hereby pledged as security for the Holders of the Bonds until applied, as provided herein, to a purpose not inconsistent with such pledge.

Section 402. Funds and Accounts as Trust Funds. All moneys held in the Funds and Accounts established in or pursuant to Sections 401 and 409 of this Article or any account or subaccount created pursuant to a Series Resolution shall be held in trust and, pending the application of such moneys as hereinafter in this Article provided, such moneys (except for moneys on deposit in the Rebate Fund) shall be subject to a lien and charge in favor of the Holders of the Bonds, any Credit Banks and any Insurers.

Section 403. Application of Electric Utility Tax Revenues; Hedge Receipts. The Town shall cause the Finance Director to deposit all revenues generated from the Electric Utility Tax as the same are collected, to the credit of the Electric Utility Tax Revenues Fund. The Town shall then transfer Electric Utility Tax Revenues from such Electric Utility Tax Revenues Fund to the Rebate Fund, the Interest Account and the Principal Account of the Debt Service Fund, and the Reserve Fund and apply the same to the payment of required arbitrage rebate payments, if any, the interest on and the principal of the Bonds, Hedge Obligations, if any, and to the extent necessary, if any, to the Reserve Fund and the fees and expenses payable from the Expense Account, all in accordance with the provisions of this Section 403 or as otherwise provided in any Series Resolution. Any balance after meeting the foregoing requirements as to each Series of Bonds shall be deposited as provided in this Section 403.

On or before the Business Day preceding any date on which arbitrage rebate payments under the Code are required to be made, the Finance Director shall withdraw moneys from the Electric Utility Tax Revenues Fund or at the discretion of the Finance Director from any other available funds of the Town and deposit to the credit of the Rebate Fund such amounts as directed by the Town to make such arbitrage rebate payments hereunder.



Upon receipt, the Finance Director shall deposit any Hedge Receipts to the credit of the Interest Account.

On or before the twenty-fifth (25th) day of each month, commencing in the month in which the Series 2010 Bonds are issued under the provisions of Section 208 of this Resolution, the Finance Director shall withdraw from the Electric Utility Tax Revenues Fund an amount equal to the amount then held for the credit of the Electric Utility Tax Revenues Fund or such lesser amount as shall be required to fund the deposit requirements set forth in clauses (a), (b), (c) and (d) below, and apply the moneys so withdrawn to make the following payments and deposits in the following order:

(a) Deposit to the credit of the Interest Account an amount equal to one-sixth (1/6th) of the interest becoming due on the Bonds on the next semiannual Interest Payment Date; provided, however, that the amount so deposited on account of interest in each month after the delivery of the Bonds of any Series up to and including the month immediately preceding the first Interest Payment Date thereafter of the Bonds of such Series shall be that amount that when multiplied by the number of such deposits will be equal to the amount of interest payable on such Bonds on such first Interest Payment Date less the amount of any accrued interest paid or capitalized interest on such Bonds and deposited to the credit of the Interest Account;

(b) Deposit to the credit of the Principal Account an amount equal to the sum of (i) one-twelfth (1/12th) of the principal of Serial Bonds, if any, that will mature and become due on the next annual maturity date and (ii) one-twelfth (1/12th) of the Amortization Requirements, if any, that will become due and payable on Term Bonds within the next Fiscal Year, such deposits to commence in such month or to be adjusted in such amounts as will ensure that on the dates such principal or Amortization Requirements are due and payable sufficient moneys will be on deposit in the Principal Account.

Notwithstanding the foregoing provisions, moneys shall not be required to be deposited to the credit of (i) the Interest Account pursuant to clause (a) above if the amount then to the credit thereof, together with the amount of cash subsidy payments expected to be paid by the United States Treasury to the Town prior to the next Interest Payment Date on account of any Bonds issued as Build America Bonds (Direct Payment) is equal to the interest becoming due and payable on the Bonds on the next Interest Payment Date, and (ii) the Principal Account pursuant to clause (b) above if the amount then to the credit thereof is equal to the sum of (A) the principal of Serial Bonds maturing on the next maturity date and (B) the Amortization Requirement for such Fiscal Year on account of the Term Bonds Outstanding.

If the period between Interest Payment Dates is other than six (6) months or the period between principal payment dates is other than twelve (12) months, then such monthly deposits shall be increased or decreased, as appropriate, in sufficient amounts to provide the required interest amount coming due on the next

Interest Payment Date or the principal amount maturing or Amortization Requirement due on the next principal payment date or redemption date, as applicable. Provided, further that such amounts to be deposited shall be adjusted to provide for any Hedge Obligations then due to a Hedge Counterparty (excluding any Hedge Termination Payment).

(c) Deposit to the credit of the Reserve Fund (or each Reserve Account within the Reserve Fund to the extent that a Reserve Account has been established within the Reserve Fund for a particular Series of Bonds), without priority of one Reserve Account over another, if any, beginning with respect to each Series of Bonds for which a Reserve Fund Requirement has been established on the twenty-fifth (25<sup>th</sup>) day of the month, as provided above, such sums as shall be at least sufficient to pay an amount equal to one-twelfth (1/12th) of the difference between the amount, if any, on deposit in the Reserve Fund or Reserve Account therein as applicable (including any Reserve Fund Insurance Policy or Reserve Fund Letter of Credit) and the increase in the amount required to be held therein due to such Reserve Fund Requirement, if any, for such Series of Bonds and, provided, however, that no payments shall be required to be made into the Reserve Fund or Reserve Account therein, whenever and as long as the amount deposited therein (including any Reserve Fund Insurance Policy or any Reserve Fund Letter of Credit) shall be equal to all of the Reserve Fund Requirements for all Series of Bonds to which such Reserve Fund or Reserve Account therein relates.

Notwithstanding the foregoing provisions, in lieu of or in substitution for the required deposits, if any, hereunder (including existing deposits) into the Reserve Fund or Reserve Account therein, the Town may cause to be deposited into the Reserve Fund or any Reserve Account there for any Series of Bonds, a Reserve Fund Insurance Policy or a Reserve Fund Letter of Credit for the benefit of the Holders of such Series of Bonds in an amount equal to the difference between the Reserve Fund Requirement and the sums to remain on deposit in the Reserve Fund or Reserve Account therein after the deposit of such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, if any, which Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be payable or available to be drawn upon, as the case may be (upon the giving of notice as required thereunder), on any Interest Payment Date on which a deficiency exists with respect to the applicable Series of Bonds which cannot be cured by all moneys in any Fund or Account, including any applicable Reserve Account, held pursuant to this Resolution and available for such purpose. If a disbursement is made under a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, the Town shall be obligated to either reinstate the maximum limits of such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit within twelve (12) months following such disbursement or to deposit into the Reserve Fund or Reserve Account, as applicable as provided in the next paragraph, funds in the amount of the disbursements made under such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, or a combination of such alternatives.

In the event that any moneys shall be withdrawn from the Reserve Fund or any applicable Reserve Account therein for payments into the Interest Account and/or the Principal Account, such withdrawals shall be subsequently restored in the manner described in the first paragraph of this clause (c) from the Electric Utility Tax Revenues available after all required payments have been made into the Interest Account and the Principal Account, including any deficiencies for prior payments, unless restored by the reinstatement of the maximum limits of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit (without priority of one Reserve Account over another, if any).

In the event that a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be drawn upon, the principal portion of the related payment obligations to the issuer of such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit shall be paid after all required payments have been made to the Principal Account, including any deficiencies for prior payments, in accordance with the terms of any agreement between the Town and such issuer, on a parity and on a pro-rata basis with all other obligations payable under this clause (c) to other issuers of any Reserve Fund Letter of Credit or Reserve Fund Insurance Policy and cash funding requirements to the different Reserve Accounts established for any Series of Bonds but prior to making any cash deposits to the Reserve Account to which such Reserve Account Insurance Policy or Reserve Account Letter of Credit relates, if any, provided that such Reserve Fund Insurance Policy or Reserve Fund Letter of Credit is reinstated in the amount of such payment concurrently with the receipt of such payment by the issuer thereof.

(d) Any balance remaining in the Electric Utility Tax Revenue Fund after satisfying the requirements of clauses (a), (b) and (c) above shall be used or deposited to the credit of the hereinafter described Expense Account in an amount sufficient to pay (i) the fees, interest and other amounts owing any issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, (ii) any fees and expenses of Fiduciaries or Hedge Counterparties coming due in such month and any other administrative fees and expenses coming due in such month with respect to the Series 2010 Bonds, (iii) any costs of issuance of the Series 2010 Bonds that remain to be paid, and (v) any Hedge Termination Payment that is due.

(e) Any such balance remaining in the Electric Utility Tax Revenues Fund after making the withdrawals and satisfying the requirements mentioned in clauses (a), (b), (c) and (d) above shall be deposited to pay principal and interest on Subordinated Indebtedness in the manner provided in the resolution authorizing such Subordinated Indebtedness, if any.

If the moneys withdrawn for deposits to the above Funds and Accounts and for making the other required payments as above set forth shall not be sufficient to make such deposits and payments, the requirements in each month thereafter for each of the above deposits and payments for which the required monthly deposit or payment has not been made shall be cumulative and the amount of any deficiency in any such monthly deposit or payment shall be

added to the amount otherwise required to be deposited in each month thereafter until such time as such deficiency shall have been made up.

The balance, if any, remaining to the credit of the Electric Utility Tax Revenues Fund after making the withdrawals and satisfying the requirements mentioned in clauses (a), (b), (c), (d) and (e) above in any calendar month shall be withdrawn and deposited to the Town's general fund and may be used for any lawful purpose of the Town.

Section 404. Application of Moneys in Principal Account and Interest Account. The Town shall cause the Paying Agent, on or before each Interest Payment Date to withdraw from the moneys then on deposit in the applicable Interest Account and Principal Account, set aside in trust with the Paying Agent or Paying Agents and cause the Paying Agent to remit to (i) each Holder the amounts required for paying the interest on the Bonds on such Interest Payment Date and to each Hedge Counterparty, if any, Hedge Obligations on such interest Payment Date from moneys then on deposit in the Interest Account, and (ii) each Holder on or before each principal payment date from the moneys then on deposit in the Principal Account and set aside in trust with the Paying Agent the amounts required to pay the principal or Amortization Requirements of the Bonds due on such principal payment date. To the extent moneys in the Principal Account for the payment of principal or Amortization Requirements of the Bonds are in excess of the amount required for payment of Bonds theretofore matured or called for redemption, said moneys may be used by the Paying Agent, at the direction of the Town, to purchase Bonds maturing or subject to redemption from Amortization Requirements on the next succeeding principal payment date at a purchase price not exceeding the principal amount thereof, or to the extent said moneys are in excess of the amount required for payment of the Bonds theretofore matured or called for redemption and the total amount of principal scheduled to become due either at maturity or as a result of Amortization Requirements on the next succeeding principal payment date, to purchase any other Bonds; provided further that no such purchase shall be made within the period of forty-five (45) days immediately preceding an Interest Payment Date on which the Bonds are subject to call for redemption under the provisions of this Resolution except from moneys other than moneys set aside or deposited for the redemption of such Bonds. Upon the purchase of Term Bonds, the Town shall direct the Paying Agent as to any credit against future Amortization Requirements for such Term Bonds.

In the case of any Bonds secured by a Credit Facility, amounts on deposit in the Interest Account and the Principal Account may be applied as provided in the applicable Series Resolution to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of and redemption premium, if any, and interest on such Bonds secured by such Credit Facility. In connection with any Series of Bonds, the Town may establish separate subaccounts within the Interest Account and the Principal Account.

Section 405. Application of Moneys in Reserve Fund. Not later than each Interest Payment Date for any Series of Bonds then Outstanding if a Reserve Fund Requirement has been established pursuant to this Resolution or a corresponding Series Resolution relating to such Series of Bonds, if the moneys on deposit or to the credit of the Interest Account and/or the Principal Account are insufficient to pay the interest, principal or Amortization Requirements coming due on such Interest Payment Date, the Paying Agent shall (i) transfer from the Reserve Fund or corresponding Reserve Account therein, if any, to the Principal Account and/or Interest

Account, as applicable, or (ii) draw upon any corresponding Reserve Fund Insurance Policy or Reserve Fund Letter of Credit in accordance with their terms,

(a) if such Interest Payment Date is not a principal payment date, the amount, if any, required to increase the amount then held to the credit of the Interest Account for the payment of interest on such Series of Bonds to an amount equal to the amount of interest scheduled to become due on such date with respect to such Series of Bonds; and

(b) if such Interest Payment Date is also a principal payment date, the amount under (a) above plus the amount, if any, required to increase the amount then held for the credit of the Principal Account for the payment of principal of or Amortization Requirements on such Series of Bonds to an amount equal to the sum of (i) the aggregate principal amount of the Serial Bonds of such Series of Bonds that will become due and payable on such date, and (ii) the amount of the Amortization Requirement for the Term Bonds of such Series of Bonds that will become due and payable on such date.

If the amount transferred from the Reserve Fund or any Reserve Account therein, to the Interest Account and/or the Principal Account pursuant to the foregoing provisions of this Section shall be less than the amount required to be transferred under such provisions, any amount thereafter deposited to the credit of the Reserve Fund or any Reserve Account therein, shall be immediately transferred to the Interest Account and/or the Principal Account as, and to the extent, required to make up any such deficiency.

Moneys in the Reserve Fund or any Reserve Account therein, and any Reserve Fund Insurance Policies and any Reserve Fund Letters of Credit, if any, in the Reserve Fund are available to be drawn upon hereunder and are hereby pledged as security for all Bonds issued hereunder and secured by such Reserve Fund, provided, however, if a Reserve Account has been established in the Reserve Fund for a particular Series of Bonds, moneys in such Reserve Account of the Reserve Fund shall be available to be drawn upon hereunder and are hereby solely pledged as security for, and shall be used only for the purpose of making payments of principal of and interest on the Series of Bonds to which such Reserve Account relates and only when all moneys in any other Fund or Account held pursuant to this Resolution and available for such purpose pursuant to this Resolution are insufficient therefor. Moneys in the Reserve Fund or any Reserve Account therein, shall also be used to make payments to the issuers of Reserve Fund Insurance Policies and Reserve Fund Letters of Credit on deposit in such Reserve Fund as described in clause (c) of Section 403 with respect to any payment obligation to the issuer of such policy or letter of credit in connection with a draw on such policy or letter of credit (excluding however any interest obligation that may accrue relating to such draw). All cash on deposit in the Reserve Fund or any Reserve Account therein, shall be utilized prior to drawing under a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit on deposit therein.

Any moneys in the Reserve Fund or any Reserve Account therein in excess of the Reserve Fund Requirement for such Series of Bonds Outstanding shall be transferred to and deposited in the Principal Account and/or the Interest Account; provided, however, that any moneys in the Reserve Fund or any Reserve Account therein in excess of the Reserve Fund

Requirement for the applicable Series of Bonds Outstanding as a result of the substitution of a Reserve Fund Insurance Policy or a Reserve Fund Letter of Credit for money on deposit in the Reserve Fund or any Reserve Account therein may, at the discretion of the Town, be used by the Town for any lawful purposes.

Section 406. Moneys Held in Trust. All moneys that the Finance Director shall have withdrawn from the Electric Utility Tax Revenues Fund or shall have received from any other source and set aside or deposited with the Paying Agent for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or by purchase or call for redemption, or for the purpose of paying interest on the Bonds, shall be held in trust for the respective Holders. Any moneys that are so set aside or transferred to the Paying Agent and that remain unclaimed by the Holders for a period of three (3) years after the date on which the Bonds have become payable shall, upon the written request of the Finance Director, be paid to the Town, or to such successor as may then be entitled by law to receive the same, and thereafter the Holders shall look only to the Town, or to such successor, as the case may be, for payment and then only to the extent of the amounts so received, without any interest thereon, and the Paying Agent shall have no responsibility with respect to such money.

Section 407. Cancellation of Bonds. Except as otherwise may be provided in the applicable Series Resolution, all Bonds paid, redeemed or purchased, either at or before maturity, shall be delivered to the Bond Registrar when such payment, redemption or purchase is made, and such Bonds shall be cancelled. The Bond Registrar shall certify to the Town the details of all Bonds so cancelled. All Bonds cancelled under any of the provisions of this Resolution shall be destroyed by the Bond Registrar, which shall execute a certificate in duplicate, describing the Bonds so destroyed, and one executed certificate shall be filed with the Finance Director and one executed certificate shall be retained by the Bond Registrar.

Section 408. Disposition of Fund Balances. After provision shall be made for the payment of all Outstanding Bonds issued under this Resolution, including the interest thereon, and for the payment of all other obligations, expenses and charges required to be paid under or in connection with this Resolution, the Paying Agent shall remit such amounts in any Fund and Account then held by it under this Resolution to the Town for use by the Town for any lawful purpose of the Town.

Section 409. Construction Fund. (a) In addition to the Funds and Accounts created above, there is hereby created and designated the “Town of Miami Lakes Special Obligation Bonds Construction Trust Fund” (the “Construction Fund”) to be held by the Town under this Resolution for the purpose of paying all or any part of the cost of a Project. Proceeds of each Series of Bonds (except Refunding Bonds) shall be deposited to the credit of the Construction Fund or any account created therein, as provided in the Series Resolution relating thereto in an amount set forth in a certificate of the Finance Director to be delivered on or prior to the issuance of any Series of Bonds and such proceeds shall be applied by the Town, in accordance with the provisions of this Resolution or any applicable Series Resolution, and pending such application such proceeds shall be held in trust in the Construction Fund subject to a lien and charge in favor of the Holders, and for the further security of such parties until such proceeds are applied to the payment of the cost of all or any portion of the cost of any Project.

(b) Unless otherwise provided in a Series Resolution, the Town shall requisition payments from the Construction Fund, including the Expense Account, in accordance with standard Town practice for the payment of such amounts; provided, however, that costs of issuance of the Series 2010 Bonds may be paid in such amounts and to the persons set forth in a certificate of the Town Manager or the Finance Director executed and delivered on or prior to the date of issuance of the Series 2010 Bonds.

(c) There is hereby created within the Construction Fund the “Series 2010 Project Account” (the “Series 2010 Project Account”) into which a portion of the proceeds of the Series 2010 Bonds shall be deposited in an amount set forth in a certificate of the Finance Director to be delivered on or prior to the issuance of the Series 2010 Bonds.

(d) There is hereby created within the Construction Fund the “Expense Account” (the “Expense Account”) into which a portion of the proceeds of any Series of Bonds shall be deposited in an amount set forth in a certificate of the Finance Director to be delivered on or prior to the issuance of such Series of Bonds.

Section 410. Application of Moneys in Expense Account. Moneys held for the credit of the Expense Account shall be disbursed by the Town to pay the fees, interest and other amounts owing any issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, the fees and expenses of any Fiduciaries or Hedge Counterparties as they become due and any other administrative fees and expenses with respect to any Series of Bonds, including, without limitation, costs of issuance of any Series of Bonds, not payable from any other source or Fund or Account hereunder as they become due.

[END OF ARTICLE IV]

## ARTICLE V

### SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 501. Security for Deposits. Any and all moneys deposited under the provisions of this Resolution shall, to the extent provided herein, be trust funds under the terms hereof and shall not be subject to any lien or attachment by any creditor of the Town other than as provided herein. Such moneys shall be held in trust and applied in accordance with the provisions of this Resolution.

All money deposited with a Depository, the Bond Registrar or the Paying Agent under this Resolution in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured, for the benefit of the Town and the Holders, either (a) by lodging with a bank or trust company chosen by the Depository, the Bond Registrar or the Paying Agent, as applicable, or if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or as public funds under applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust or public funds; provided, however, that it shall not be necessary for any Depository, Bond Registrar or Paying Agent to give security for the deposit of any money with it for the payment of the principal of or the interest on the Bonds, or for any Depository, the Bond Registrar or Paying Agent to give security for any money that shall be represented by obligations purchased under the provisions of this Article as an investment of such money unless otherwise required by applicable law.

All money deposited with any Depository, the Bond Registrar or the Paying Agent under this Resolution shall be credited to the particular Fund or Account as provided in this Resolution.

Section 502. Investment of Moneys. Moneys held for the credit of all Funds, Accounts and subaccounts shall be continuously invested and reinvested by the Paying Agent as directed by the Finance Director or for Funds and Accounts held by the Town by the Finance Director as more specifically provided herein.

Moneys held for credit of the Funds and Accounts hereunder, other than the Reserve Fund and any Reserve Accounts therein, as nearly as may be practicable, shall be invested and reinvested in Investment Obligations that shall mature, or that shall be subject to redemption at the option of the holder thereof, at the times required and not in any event later than the date, estimated by the Finance Director, when the moneys therein will be required from time to time for the purposes intended.

Moneys held for the credit of the Reserve Fund shall be invested and reinvested in Investment Obligations having an average weighted term to maturity not greater than five years.



Investment Obligations acquired with moneys and credited to any Fund, Account or subaccount held by or under the control of the Town, while so held, shall be deemed at all times to be part of such Fund or Account or subaccount in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against such Fund, Account or subaccount. The Finance Director or the Paying Agent upon direction of the Finance Director shall sell or cause to be sold at the best price obtainable or reduce to cash a sufficient amount of such Investment Obligations whenever it shall be necessary to do so in order to provide moneys to make any payment or transfer of moneys from any Fund, Account or subaccount.

Whenever a payment or transfer of moneys between two or more of the Funds established pursuant to Article IV of this Resolution is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more Investment Obligations at a value determined in accordance with this Article, provided that the Investment Obligations transferred are those in which moneys of the receiving Fund could be invested at the date of such transfer.

Section 503. Valuation. For the purpose of determining the amount on deposit to the credit of any Fund, Account or subaccount, obligations in which money in such Fund, Account or subaccount shall have been invested (other than investment agreements) shall be valued at the market value thereof (exclusive of accrued interest).

At the end of each Fiscal Year, the Finance Director shall value the Investment Obligations (except investment agreements) in the Funds, Accounts and subaccounts held hereunder as of the last day of such Fiscal Year (each such date being a “valuation date”). Deficiencies in the amount on deposit in the Reserve Fund or any account therein on any valuation date shall be restored by the Town from Electric Utility Tax Revenues no later than the next valuation date.

[END OF ARTICLE V]

## ARTICLE VI

### GENERAL COVENANTS AND REPRESENTATIONS

Section 601. Payment of Principal, Interest and Premium; Pledge of Pledged Revenues. The Town shall cause to be paid, when due, the principal of (whether at maturity, by call for redemption or otherwise) and the redemption premium, if any, and the interest on the Bonds at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof.

The Pledged Revenues are hereby pledged to the payment of the principal of and redemption premium, if any, and interest on the Bonds and to the payment of any obligations due Credit Banks or Insurers secured on a parity with the Bonds, as provided in this Resolution. The Bonds are payable solely from Pledged Revenues as provided in this Resolution. The Bonds issued under this Resolution shall not be deemed to constitute a pledge of the faith and credit of the State or of any political subdivision thereof, or the Town. Neither the faith and credit of the State nor the faith and credit of the Town are pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds, and the issuance of the Bonds shall not directly or indirectly or contingently obligate the State, or any political subdivision thereof, or the Town to levy any taxes whatever therefor or to make any appropriation for their payment except from the Pledged Revenues to the extent provided for under this Resolution.

Section 602. Covenant as to Electric Utility Tax Revenues. The Town covenants that while any Bonds issued under the provisions of this Resolution shall be Outstanding it will not take any action or fail to take any action which might result in a suspension or termination of the receipt of the Electric Utility Tax Revenues and it will take all appropriate action to keep and maintain the Electric Utility Tax at a level which will produce Electric Utility Tax Revenues in each Fiscal Year in an amount not less than 1.25 times the Maximum Principal and Interest Requirements on all Outstanding Bonds. The Town further covenants, subject to Section 605 hereof, that it will not create or permit to be created any charge or lien on the proceeds of the Electric Utility Tax Revenues ranking equally with or prior to the charge or lien on such proceeds of the Bonds issued under the provisions of this Resolution.

Section 603. Covenant as to Build America Bonds (Direct Payment). The Town hereby covenants to immediately deposit into the Interest Account of the Debt Service Fund any interest subsidy payments made by the United States Treasury to the Town with respect to any Series of Bonds issued as Build America Bonds (Direct Payment).

Section 604. Covenant to Perform by the Town. The Town shall faithfully perform at all times all of its covenants, undertakings and agreements contained in this Resolution and in any Bond executed, authenticated and delivered hereunder.

Section 605. Covenants with Credit Banks, Insurers, etc.

(a) Subject to the provisions of this Resolution, the Town may make such covenants, including the granting of a parity or subordinate lien on Pledged Revenues to the lien of Bonds hereunder, as the Town may in its sole discretion determine to be appropriate with any Insurer

and/or Credit Bank that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support, which credit or liquidity support shall enhance the security or the value of such Bonds and thereby reduce the Principal and Interest Requirements on such Bonds. Such covenants may be set forth in the applicable Series Resolution or in any agreement entered into with such Credit Bank or Insurer and approved by the Town Manager, and shall be binding on the Town, the Bond Registrar, the Paying Agents and all the Holders of Bonds the same as if such covenants were set forth in full in this Resolution.

(b) Subject to the provisions of this Resolution, the Town may make such covenants as it may in its sole discretion determine to be appropriate with any issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit deposited in the Reserve Fund. Such covenants may be set forth in a resolution adopted by the Town or in any agreement entered into with such issuer and shall be binding on the Town, the Bond Registrar, the Paying Agents and all the Holders of the Bonds the same as if such covenants were set forth in full in this Resolution.

(c) All covenants for the benefit of a Credit Bank, Insurer or an issuer of a Reserve Fund Letter of Credit or Reserve Fund Insurance Policy shall remain in full force and effect only for so long as such issuer has not defaulted in its obligations under the applicable Credit Facility, Insurance Policy, Reserve Fund Letter of Credit or Reserve Fund Insurance Policy.

Section 606. No Inconsistent Action. The Town covenants that none of the Electric Utility Tax Revenues will be used for any purpose that is inconsistent with the provisions of this Resolution and that no contract or contracts will be entered into or any action taken by it that shall be inconsistent with the provisions of this Resolution.

Section 607. Books and Records. The Town covenants that it will keep the Funds, Accounts or subaccounts established hereunder separate from all other Funds and Accounts of the Town, and that it will keep accurate records and accounts of the Electric Utility Tax Revenues received and the application of the Electric Utility Tax Revenues. Such records and accounts shall be open at all reasonable times to the inspection of the Holders of the Bonds, authorized representatives of a Credit Bank and Insurers, to the extent that such Credit Bank or Insurer is providing credit enhancement.

Section 608. Tax Covenants.

(a) The Town will not take any action or omit to take any action which action or omission would result in inclusion in gross income for federal income tax purposes of interest on any Bonds that were issued as Tax-Exempt Bonds. Particularly, (i) the Town will not take any action or omit to take any action which action or omission would cause any of the Tax-Exempt Bonds to be "Arbitrage Bonds" within the meaning of Section 148 of the Code; (ii) the Town will not take any action or omit to take any action which would cause any of the Tax-Exempt Bonds not intended on their date of issuance to be "Private Activity Bonds" within the meaning of Section 141 of the Code to be "Private Activity Bonds" within the meaning of that Section; and (iii) the Town will not take any action or omit to take any action which would cause Tax-Exempt Bonds intended on their date of issuance to be "Private Activity Bonds" within the meaning of Section 141 of the Code not to be "Qualified Bonds" as that term is defined in said Section. In the event that an adverse determination is made or threatened by the Internal

Revenue Service with respect to any of the matters described in the foregoing clauses (i), (ii) or (iii), the Town shall use its best efforts and undertake all reasonable action in order to vigorously contest such adverse determination.

(b) The Code imposes requirements on Build America Bonds (Direct Payment) that the Town must continue to meet after such Build America Bonds (Direct Payment) are issued in order to receive the direct cash subsidy payments from the United States Treasury. The Town covenants to comply with the requirements of the Code with respect to any Series 2010B Bonds so that the Town may receive the direct cash subsidy payments from the United States Treasury. In furtherance of the foregoing covenant, the Town agrees that it will comply with the provisions of a tax compliance certificate to be prepared by Bond Counsel and executed and delivered on the date of issuance of any Bonds. The Finance Director or such other appropriate official of the Town is hereby authorized to execute and deliver such tax compliance certificate.

(c) The Town shall comply with and shall make all calculations required to be made pursuant to the arbitrage rebate covenants contained in the tax compliance certificates of the Town delivered in connection with the issuance of any Bonds. Notwithstanding anything in this Resolution to the contrary, the requirement of the Town to rebate any amounts due to the United States pursuant to Section 148 of the Code shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to the Bonds or any portion of the Bonds.

Section 609. Covenant to Provide Continuing Disclosure.

For the benefit of the Holders and beneficial Owners from time to time of the Bonds, the Town agrees, in accordance with the Rule, to provide or cause to be provided such financial information and operating data, financial statements and notices, in such manner, as may be required for purposes of paragraph (b)(5) of the Rule. In order to describe and specify certain terms of the Town's continuing disclosure undertaking, including provisions for enforcement, amendment and termination, the Town agrees to execute and deliver the Continuing Disclosure Agreement authorized in Section 208(1) hereof, in connection with the Series 2010 Bonds. The Town shall agree in any Series Resolution with respect to any other Bonds issued hereunder to enter into a continuing disclosure undertaking with respect to those Bonds.

The Finance Director is further authorized and directed to establish procedures in order to ensure compliance by the Town with the Continuing Disclosure Agreement, including the timely provision of information and notices. Prior to making any filing in accordance with such agreement, the Finance Director may consult with, as appropriate, the Town Attorney or Bond Counsel. The Finance Director, acting in the name and on behalf of the Town, shall be entitled to rely upon any legal advice provided by the Town Attorney or Bond Counsel in determining whether a filing should be made.

[END OF ARTICLE VI]

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

Section 701. Events of Default. Each of the following events is hereby declared an Event of Default:

(a) payment by the Town of any installment of interest on any Bonds shall not be made when the same shall become due and payable; or

(b) payment by the Town of the principal of or the redemption premium, if any, on any Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or pursuant to an Amortization Requirement or otherwise; or

(c) default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Resolution or any ordinance resolution supplemental hereto and such default shall continue for sixty (60) days after receipt by the Town of a written notice from the Holders of not less than ten percent (10%) in aggregate principal amount of all Bonds then Outstanding specifying such default and requiring the same to be remedied; provided, however, that no Event of Default under the provisions of this paragraph (c) shall occur so long as the Town is in good faith acting to remedy the default and such default is curable by such remedial action; or

(d) The Town shall: (i) become insolvent or the subject of insolvency proceedings; or (ii) be unable, or admit in writing its inability, to pay its debts as they mature; or (iii) make a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its property; or (iv) file a petition or other pleading seeking reorganization, composition, readjustment or liquidation of assets, or requesting similar relief; or (v) apply to a court for the appointment of a receiver for any of its assets; or (vi) have a receiver or liquidator appointed for any of its assets (with or without the consent of the Town) and such receiver shall not be discharged within 90 consecutive days after such receiver's appointment; or (vii) become the subject of an "order for relief" within the meaning of the United States Bankruptcy Code; or (viii) file an answer to a creditor's petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fail to have such petition dismissed within 60 consecutive days after the same is filed against the Town.

(e) Receipt by the Town of written notice from a Credit Bank or Hedge Counterparty that an event of default under any reimbursement or similar agreement or Hedge Agreement has occurred and is continuing (after expiration of all grace periods and extensions); or

(f) Receipt by the Town of a written notice from a Credit Bank that following a drawing for the payment of interest on Bonds (i) the Credit Bank has not been reimbursed for such drawing under the Credit Facility in accordance with the terms of a reimbursement or similar agreement, or (ii) any other event of default under such reimbursement agreement has occurred and is continuing, and as a consequence of either such event the amount available to be drawn under the Credit Facility will not be reinstated with respect to the payment of interest on

the Bonds secured by such Credit Facility by an amount equal to the amount so drawn under the Credit Facility.

The Town shall mail to any Credit Bank or Insurer written notice of all events of which it is aware that either constitute Events of Default under this Resolution or, upon notice by or to the Town or the passage of time, would constitute Events of Default hereunder within thirty (30) days after the Town shall have notice of the same, provided that the Town shall provide immediate notice to any Credit Bank or Insurer of any Event of Default described in clauses (a) or (b) of this Section.

Section 702. Acceleration of Maturities.

(a) Subject to the provisions of paragraph (b) below, upon the happening and continuance of any Event of Default specified in Section 701 hereof, then and in every such case the Holders of not less than a majority in aggregate principal amount of all Bonds then Outstanding may, by a notice in writing to the Town, declare the principal of all of the Bonds 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 Bonds or this Resolution to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds 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 Resolution, moneys shall have accumulated in the Debt Service Fund sufficient to pay the principal of all matured Bonds and all arrears of interest, if any, upon all the Bonds then Outstanding (except the principal of any Bonds not then due and payable by their terms and the interest accrued on such Bonds since the last Interest Payment Date) and sufficient to satisfy the Amortization Requirements of the then current Fiscal Year, and the charges, compensation, expenses, disbursements, advances and liabilities of the Bond Registrar and the Paying Agent and all other amounts then payable by the Town hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited by the Finance Director with the Paying Agent, and every other default in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or this Resolution (other than a default in the payment of the principal of such Bonds then due and payable only because of a declaration under this Section) shall have been remedied, then and in every such case the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding may, by written notice to the Town, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(b) Notwithstanding anything in this Article VII, including Section 702(a) hereof, to the contrary, if an Event of Default with respect to a Series of Bonds takes place that results in a drawing on the Credit Facility relating to such Series of Bonds, such Event of Default shall not be waived unless the Credit Facility relating to such Series of Bonds is reinstated.

Section 703. Enforcement of Remedies. Upon the happening and continuance of any Event of Default specified in Section 701 of this Article, then and in every such case the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then

Outstanding may proceed to protect and enforce the rights of the Holders under the laws of the State or under this Resolution 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 such Holders shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Resolution, the Holders shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default becoming and remaining due from the Town for principal, interest or otherwise under any of the provisions of this Resolution or of the Bonds, together with interest on overdue payments of principal at the rate or rates of interest payable on any Bonds Outstanding and all costs and expenses of collection and of all proceedings hereunder, without prejudice to any other right or remedy of the Holders, and to recover and enforce any judgment or decree against the Town, 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.

Section 704. Pro Rata Application of Funds. Anything in this Resolution to the contrary notwithstanding, if at any time the moneys in the Interest Account and the Principal Account and shall not be sufficient to pay the interest on or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 702 hereof), such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) If the principal of all the Bonds shall not have become or shall not have been declared due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest on the Bonds 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 the Bonds;

second: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds that shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Resolution), in the order of their dates, with interest on the principal amount of such Bonds at the respective rates specified therein from the respective dates upon which such Bonds became due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to

the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

third: to the payment of the interest on and the principal of the Bonds, to the purchase or retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article III hereof.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied

first: to the payment to the persons entitled thereto of all installments of interest on the Bonds due and payable on or prior to maturity, if any, 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 the Bonds, and then to the payment of any interest due and payable after maturity on the Bonds, ratably, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

second: to the payment of the principal of the Bonds, ratably, to the Persons entitled thereto, without preference or priority of any Bond over any other Bond.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 702 hereof then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due and payable or be declared due and payable, the moneys remaining in and thereafter accruing to the Interest Account and the Principal Account shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Town pursuant to the provisions of this Section, such moneys shall be applied by the Town at such times, and from time to time, as the Finance Director in his/her sole discretion shall determine, having due regard to the amount of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with any paying agents, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Town and the Town shall incur no liability whatsoever to any Holder of Bonds or to any other person for any delay in applying any such moneys, so long as the Town acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application. Whenever the Finance Director shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless it 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 Finance



Director shall give or cause to be given such notice as he/she may deem appropriate of the fixing of any such date and shall not be required to make payment to the Holder of any Bond until such Bond shall be surrendered for appropriate endorsement or for cancellation if fully paid.

Section 705. Effect of Discontinuance of Proceedings. If any proceeding taken by the Holders on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case, the Town and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Fiduciaries shall continue as though no proceeding had been taken.

Section 706. Control of Proceedings by Holders; Credit Banks or Insurer Deemed Holder. Anything in this Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right by an instrument or concurrent instruments in writing executed and delivered to the Town, to direct the method and place of conducting all remedial proceedings hereunder, provided that such direction shall be in accordance with law and the provisions of this Resolution.

A Credit Bank or Insurer shall be deemed to be the sole Holder of all Bonds supported by a Credit Facility or Insurance Policy it has issued for all purposes under this Article, other than the notice to Holders provisions herein contained, so long as such Credit Facility or Insurance Policy is in effect and the Credit Bank or Insurer, as applicable, has not defaulted in its obligations thereunder.

Section 707. Restrictions Upon Actions by Individual Holders. No one or more Holders shall have any right in any manner whatsoever by one or more such Holders' action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder except in the manner provided herein. All proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders, and any individual rights of action or other right given to one or more of such Holders by law are restricted by this Resolution to the rights and remedies herein provided.

Section 708. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Holders 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 709. Delay Not a Waiver. No delay or omission by any Holder in the exercise of any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power or remedy given by this Resolution to the Holders may be exercised from time to time and as often as may be deemed expedient.

The Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding may waive any default which in their opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceedings instituted under the provisions of this Resolution or before the completion of the enforcement of any subsequent default or defaults.

Section 710. Right to Enforce Payment of Bonds Unimpaired. Nothing in this Article VII shall affect or impair the right of any Holder to enforce the payment of the principal of and the interest on any Bond or the obligation of the Town to pay the principal of and the interest on each Bond to the Holder thereof at the time and place in said Bond expressed.

[END OF ARTICLE VII]

## ARTICLE VIII

### CONCERNING THE FIDUCIARIES

Section 801. Failure of Town to Act. No Fiduciary shall be liable or responsible because of the failure of the Town or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Town or because of the loss of any money arising through the insolvency or the act or default or omission of any Depository in which such money shall have been deposited under the provisions of this Resolution. No Fiduciary shall be responsible for the application of any of the proceeds of the Bonds 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 Resolution. The immunities and exemptions from liability of a Fiduciary hereunder shall extend to the directors, officers, employees and agents of each Fiduciary.

Section 802. Compensation. Subject to the provisions of any contract between the Town and any Fiduciary relating to the compensation of such Fiduciary, the Town shall pay to such Fiduciary 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 execution of the trusts hereby created and the performance of its powers and duties.

Section 803. Reliance by Fiduciaries. In case at any time it shall be necessary or desirable for any Fiduciary to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Fiduciary, and in any case in which this Resolution provides for permitting or taking any action, such Fiduciary may rely upon any certificate required or permitted to be filed with it under the provisions of this Resolution, and any such certificate shall be evidence of such fact to protect such Fiduciary 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. Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the Town to such Fiduciary shall be deemed to have been signed by the proper party or parties if signed by the Town Manager or the Finance Director and such Fiduciary may accept and rely upon a certificate of the Town so signed as to any action taken by the Town or such Fiduciary in reliance thereon.

Section 804. Fiduciaries May Deal in Bonds. Any bank or trust company acting as a Fiduciary and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds or coupons issued under and secured by this Resolution, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not such Fiduciary under this Resolution.

Section 805. No Responsibility for Recitals. The recitals, statements and representations contained herein and in the Bonds (excluding the certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the Town and not by any Fiduciary, and no Fiduciary assumes or shall be under any responsibility for the correctness of the same.

Section 806. Paying Agents and Bond Registrars; Appointment and Acceptance of Duties.

(a) The Town has appointed a Bond Registrar and a Paying Agent for the Series 2010 Bonds pursuant to Section 208(h) of this Resolution. The Town, in the Series Resolution corresponding to each Series of Additional Bonds or Refunding Bonds, shall appoint a Bond Registrar and Paying Agent for such Series of Bonds. The Town may appoint one or more additional Paying Agents and Bond Registrars for any Series of Bonds having the qualifications set forth in Section 807 for a successor Paying Agent or Bond Registrar, as the case may be.

(b) Each Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Town a written acceptance thereof.

Section 807. Resignation or Removal of Paying Agent or Bond Registrar and Appointment of Successor.

(a) Any Paying Agent or Bond Registrar may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the Town, and the other Fiduciaries. Any Paying Agent or Bond Registrar may be removed at any time by an instrument filed with such Bond Registrar or Paying Agent and signed by the Town Manager. Any successor Paying Agent or Bond Registrar shall be appointed by the Town and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having (or controlled by an entity having) capital stock, surplus and undivided earnings aggregating, on a combined consolidated basis, at least Twenty-Five Million Dollars (\$25,000,000), and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Notwithstanding the foregoing, the Town may designate itself, acting by and through the Finance Director, as successor Bond Registrar and Paying Agent. The Town shall provide written notice to the Rating Agencies, then maintaining a rating on the Bonds of the appointment of such successor Paying Agent or Bond Registrar.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver moneys held by it as Paying Agent to its successors, or if there be no successors, to the Town. In the event that for any reason there shall be a vacancy in the office of any Paying Agent or Bond Registrar, the Finance Director shall act as such Paying Agent or Bond Registrar.

Section 808. Several Capacities. The same Person may serve as Paying Agent and Bond Registrar, to the extent permitted by law.

[END ARTICLE VIII]

## **ARTICLE IX**

### **EXECUTION OF INSTRUMENTS BY HOLDERS AND PROOF OF OWNERSHIP OF BONDS**

Section 901. Execution of Instruments by Holders; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by any Holder may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Holders or their attorneys or legal representatives. Proof of the execution of any such instrument may be made in the following manner:

(a) 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 such officer, 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.

(b) The ownership of any Bonds shall be proved by the registration books kept under the provisions of Section 206 of this Resolution.

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

[END OF ARTICLE IX]

## ARTICLE X

### SUPPLEMENTAL RESOLUTIONS

Section 1001. Supplemental Resolutions Without Consent of Holders. The Town, from time to time and at any time, may adopt such resolutions supplemental hereto as shall be consistent with the terms and provisions of this Resolution (which supplemental resolutions shall thereafter form a part hereof):

(a) to cure any ambiguity or formal defect or omission herein, or to correct or supplement any provision herein that may be inconsistent with any other provision herein; or

(b) to grant or confer upon the Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Holders; or

(c) to add to the conditions, limitations and restrictions thereafter to be observed by the Town under the provisions of this Resolution; or

(d) to add to the covenants and agreements of the Town in this Resolution other covenants and agreements thereafter to be observed by the Town or to surrender any right or power herein reserved to or conferred upon the Town; or

(e) with the prior written opinion of Bond Counsel that to do so will not affect the exclusion of interest from gross income of Tax-Exempt Bonds under the Code, to authorize, in compliance with all applicable law, Bonds to be issued in the form of coupon Bonds and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the Holders of such coupon Bonds, which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds; or

(f) to modify, amend or supplement this Resolution or any ordinance supplemental hereof in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America; or

(g) to make any change required by Moody's, S&P or Fitch as a precondition to the issuance of a rating on the Bonds which is not to the prejudice of the Holders of the Bonds of any other Series; or

(h) to make any other change that would not materially adversely affect the security for the Bonds.

In addition to the foregoing, the Town may adopt Series Resolutions to provide for the issuance of each Series of the Additional Bonds (as provided in Section 209 hereof) and of Refunding Bonds (as provided in Section 210 hereof) and to provide for the creation of such

additional Funds, Accounts and subaccounts and for such other related matters as may be required or contemplated by or appropriate under this Resolution.

Section 1002. Modification of Resolution with Consent of Holders. Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding that will be affected by a proposed supplemental resolution shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption by the Town of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bonds issued hereunder, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a pledge or lien on the moneys credited to the Funds and Accounts created hereunder other than the pledges and liens created or permitted by this Resolution, or (d) a preference or priority of any Bonds over any other Bonds, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such supplemental resolution. Nothing herein contained, however, shall be construed as making necessary the approval by the Holders of the adoption and acceptance of any supplemental resolution as authorized in Section 1001 of this Article.

If at any time the Town shall determine that it is desirable to adopt any supplemental resolution for any of the purposes of this Section, the Town shall cause notice of the proposed adoption of such supplemental resolution to be mailed, first class, postage prepaid, to all Holders. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the Town for inspection by all Holders. The Town shall not, however, be subject to any liability to any Holder 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 resolution when approved and consented to as provided in this Section.

Whenever, at any time after the date of the first mailing of such notice, the Town shall receive an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding that are affected by a proposed supplemental resolution which instrument or instruments shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Town may adopt such supplemental resolution in substantially such form, without liability or responsibility to any Holder, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding that are affected by a proposed supplemental resolution at the time of the execution of such supplemental resolution shall have consented to and approved the adoption thereof as herein provided, no Holder shall have any right to object to the adoption of such supplemental resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or

restrain the Town from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, this Resolution shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Town, the Bond Registrar, and all Holders shall thereafter be determined, exercised and enforced in all respects pursuant to the provisions of this Resolution as so modified and amended.

Section 1003. Exclusion of Bonds. Bonds owned or held by or for the account of the Town shall not be deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article X, and the Town as Holder of such Bonds shall not be entitled to consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article X, the Town shall evidence all Bonds owned or held by or for the account of the Town by a certificate signed by the Town Manager describing all Bonds so to be excluded. All such certificates shall be filed with and maintained by the Finance Director.

Section 1004. Treatment of Credit Bank and Insurer. Notwithstanding any provisions of this Article to the contrary, for so long as any Credit Facility or Insurance Policy securing any Bonds hereunder is in effect and the Credit Bank or Insurer, as applicable, is not in default of its obligations thereunder, such Credit Bank or Insurer shall be treated as the Holder of such Bonds for purposes of this Article.

[END OF ARTICLE X]



## ARTICLE XI

### DEFEASANCE

Section 1101. Defeasance. If all the Outstanding Bonds shall have been paid as provided below, and if all amounts due any Credit Banks, Insurers, issuers of Reserve Fund Letters of Credit and Reserve Fund Insurance Policies and Hedge Counterparties shall have been paid in full or provision for their payment shall have been made satisfactory to such parties, then and in that case the right, title and interest of the Holders hereunder shall cease, terminate and become void, and such Bonds shall cease to be entitled to any lien, benefit or security under this Resolution. In such event, this Resolution shall be discharged and released and amounts held in the Funds and Accounts created hereunder shall be released to the Town for its own purposes.

Any Outstanding Bond shall be deemed to have been paid within the meaning and with the effect expressed in this Section 1101 when the whole amount of the principal of and redemption premium, if any, and interest on such Bond shall have been paid or when (a) there shall have been deposited with a Depository, acting as escrow agent solely for the Holders of such Bond and other Bonds being defeased and specifically designated for the purpose of defeasance, moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide sufficient moneys (as evidenced by a verification report prepared by a firm of favorable national reputation for the preparation of such reports), to pay when due the principal of and redemption premium, if any, and interest due and to become due on such Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (b) in the event such Bond does not mature and is not to be redeemed within the next succeeding sixty (60) days, the Town shall have given or cause to be given, as soon as practicable, a notice to the Holder of such Bond by first-class mail, postage prepaid, stating that the deposit of moneys or Defeasance Obligations required by clause (a) of this paragraph has been made with a Depository, acting as escrow agent solely for the Holder of such Bond and other Bonds being defeased, and that such Bond is deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and redemption premium, if any, and interest on such Bond.

Neither the moneys nor Defeasance Obligations deposited with such Depository acting as escrow agent pursuant to this Section nor principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and redemption premium, if any, and interest on said Bonds.

If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the Town may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

Notwithstanding anything to the contrary contained herein or otherwise, amounts paid by a Credit Bank or Insurer in respect of Bonds shall not be deemed payment of such Bonds and said amounts shall continue to be due and owing until paid by the Town in accordance with this

Resolution and the provisions of this Resolution shall not be discharged until such payment by the Town.

Section 1102. Survival of Certain Provisions. The provisions of this Resolution which relate to the maturity of Bonds, interest payments and Interest Payment Dates, optional and mandatory redemption provisions, Amortization Requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds and unclaimed moneys, required rebate of moneys to the United States of America, the holding of moneys in trust and the duties of the Town and the Fiduciaries in connection with all the foregoing, shall remain in effect and be binding notwithstanding the release and discharge of this Resolution. The provisions of this Article XI shall survive the release, discharge and satisfaction of this Resolution.

[END OF ARTICLE XI]

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

Section 1201. Effect of Covenants. All covenants, stipulations, obligations and agreements of the Town contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Town to the full extent authorized or permitted by law.

Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Town or upon the Town Council by the provisions of this Resolution shall be exercised or performed by the Town Council, or by such other officers, board, body or council as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Town Council or of any agent, officer or employee of the Town in the individual capacity of such agent, officer or employee, and neither the members of the Town Council of the Town nor any agent, officer or employee of the Town nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 1202. Successorship of Town Officers. In the event that the offices of Mayor, Finance Director, Town Manager or Town Attorney shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or by reason of sickness, absence from the Town or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

Section 1203. Successorship of Paying Agent and Bond Registrar. Any bank or trust company with or into which the Paying Agent or Bond Registrar may be merged or consolidated, or to which the assets and business of such Paying Agent or Bond Registrar may be sold, shall be deemed the successor of such Paying Agent or Bond Registrar for the purpose of this Resolution.

Section 1204. Manner of Giving Notice. Any notice, demand, direction, request or other instrument authorized or required by this Resolution to be given to or filed with the Town, the Paying Agent, the Bond Registrar, shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when sent by registered mail, return receipt requested, to the addresses of said parties as set forth below.

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telephone, telex or telecopy and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

The notice address of the Town is as follows:

Town of Miami Lakes, Florida  
15700 N.W. 67th Avenue  
Miami Lakes, Florida 33014  
Attention: Town Manager

The notice address for the Paying Agent and Bond Registrar is as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

The foregoing addresses of the Town and Paying Agent 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.

All documents received by the Paying Agent or the Bond Registrar under the provisions of this Resolution, or photographic copies thereof, shall be retained in its possession.

Following the delivery of any notice to Bondholders, any Holder of Bonds (or any Beneficial Owner of Bonds) in an aggregate principal amount of at least \$1,000,000 may request from the Finance Director in writing to receive by mail, first class postage prepaid, a copy of such notice at an address provided to the Town.

Section 1205. Substitute Mailing. If, because of the temporary or permanent suspension of postal service, the Town, the Paying Agent, the Bond Registrar, any Credit Bank or Insurer shall be unable to mail any notice required to be given by the provisions of this Resolution, the Town, the Paying Agent, the Bond Registrar, any Credit Bank or Insurer shall give notice in such other manner as in the judgment of the Town, the Paying Agent, the Bond Registrar, any Credit Bank or Insurer shall most effectively approximate mailing, and the giving of notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.

Section 1206. Parties Who Have Rights under Resolution. Except as herein otherwise expressly provided, nothing in this Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Holders.

Section 1207. Effect of Partial Invalidity. In case any one or more of the provisions of this Resolution or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution or the Bonds.

Section 1208. Florida Law Controls. This Resolution is enacted with the intent that it shall be interpreted and construed in accordance with the laws of the State.

Section 1209. No Recourse Against Members, Officers or Employees of Town. No recourse under or upon any statement, obligation, covenant, or agreement contained in this Resolution, or in any Bond hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Town, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitutional provision or statute or otherwise or under any circumstances, shall be had against any member of the Town Council, or any officer or employee or agent of the Town, as such, either directly or through the Town or otherwise, for the payment for or to the Town or any receiver thereof, or for or to any Holder or otherwise, of any sum that may be due and unpaid upon any such Bond. 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 of the Town Council, or any officer or employee, as such, to respond by reason of any act or omission on his/her part or otherwise, for the payment for or to the Town or any receiver thereof, or for or to any Holder or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the enactment of this Resolution and the issuance of the Bonds.

Section 1210. Expenses Payable under Resolution. All expenses incurred in carrying out this Resolution shall be payable solely from funds derived by the Town from Electric Utility Tax Revenues. Anything in this Resolution to the contrary notwithstanding, the performance by the Town of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the Town for all warranties and other covenants herein shall be limited solely to the Town, and from the Electric Utility Tax Revenues and the moneys attributable to the proceeds of Bonds, or the income from the temporary investment thereof, and, to the extent herein, the Town shall not be required to effectuate any of its duties, obligations, powers or covenants except from, and to the extent of, such moneys, revenues, proceeds, and payments.

Section 1211. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, Sunday or a legal holiday or not a Business Day, then payment of interest or principal and redemption premium, if any, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or the Interest Payment Date and no interest on such payment shall accrue for the period after such date.

Section 1212. Headings. Any heading 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 Resolution, nor shall they affect its meaning, construction or effect.

Section 1213. Further Authority. The officers of the Town, members of the Town Council and other agents or employees of the Town are hereby authorized to do all acts and things required of them by this Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds, the DTC Letter of

Representations, the Bond Purchase Agreement, this Resolution and in the Continuing Disclosure Agreement.

Section 1214. Repeal of Inconsistent Resolutions. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 1215. Effective Date. This Resolution shall take effect upon its adoption.

The foregoing Resolution was offered by Council member \_\_\_\_\_, who moved for its adoption. The motion was seconded by Council member \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Mayor Michael Pizzi	_____
Vice Mayor Nick Perdomo	_____
Councilmember Mary Collins	_____
Councilmember Tim Daubert	_____
Councilmember Nelson Hernandez	_____
Councilmember Ceasar Mestre	_____
Councilmember Richard Pulido	_____

**PASSED AND ADOPTED** on this 14<sup>th</sup> day of December, 2010.

\_\_\_\_\_  
MICHAEL PIZZI  
MAYOR

ATTEST:

\_\_\_\_\_  
MARJORIE TEJEDA  
TOWN CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR USE ONLY BY THE TOWN OF MIAMI LAKES:

\_\_\_\_\_  
WEISS, SEROTA, HELFMAN,  
PASTORIZA, COLE & BONISKE, P.L.  
TOWN ATTORNEY

\_\_\_\_\_  
SQUIRE, SANDERS & DEMPSEY L.L.P.  
BOND COUNSEL



[(Build America Bonds - Direct Payment)] (\_\_\_\_\_ Project) (the “Series \_\_\_\_ [A][B] Bonds”), issued in the aggregate principal amount of \$\_\_\_\_\_ under Resolution No. \_\_\_\_\_ (the “Resolution”) adopted by the Town on December 14, 2010, as the same may be supplemented and amended from time to time. [Concurrently with the issuance of the Series \_\_\_\_ [A][B] Bonds, the Town is issuing its Special Obligation Bonds, [Federally Taxable] Series \_\_\_\_ [A][B] [(Build America Bonds - Direct Payment)] (\_\_\_\_\_ Project) in the aggregate principal amount of \$\_\_\_\_\_ under the Resolution (the “Series \_\_\_\_ [A][B] Bonds” and, together with the Series \_\_\_\_ [A][B] Bonds, the “Bonds”). The Bonds are being issued to provide funds, together with other available moneys, to: (i) pay all or a portion of the cost of the Series Project (as defined in the Resolution) which may include capitalized interest, (ii) make a deposit to the Reserve Fund in respect of the Series \_\_\_\_ Bonds, if necessary, and (iii) pay the costs of issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Resolution.

The Bonds are limited obligations of the Town payable solely from the Pledged Revenues, described below. Neither the faith and credit of the State of Florida nor the faith and credit of any agency or political subdivision thereof or of the Town are pledged to the payment of the principal of or the interest or redemption premium, if any, on this Bond. The issuance of this Bond shall not directly or indirectly or contingently obligate the State of Florida or any agency or political subdivision thereof or the Town to levy any taxes whatever therefor or to make any appropriation for their payment except from the funds pledged therefor.

To secure the Bonds, the Town has irrevocably pledged the Pledged Revenues under the Resolution. The Pledged Revenues consist of (a) the Electric Utility Tax Revenues and (b) all moneys and investments, including investment earnings thereon, held for the credit of the funds, accounts and subaccounts established under the Resolution, other than the Rebate Fund and any accounts created thereunder. The Town has full power and authority to pledge the Pledged Revenues to the payment of the principal of, interest and redemption premium, if any, on the Bonds.

Reference is made to the Resolution for a more complete statement of the provisions thereof and of the rights and duties of the Town and the registered owners. Copies of the Resolution are on file and may be inspected at the office of the Town Clerk. By the purchase and acceptance of this Bond, the Registered Owner hereof signifies assent to all of the provisions of the Resolution.

This Bond is issued and the Resolution was enacted under and pursuant to the Constitution and laws of the State of Florida.

This Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York (“DTC”), which shall act as securities depository for the Bonds, with no physical distribution of certificates to be made. Any provisions of the Resolution or this Bond requiring physical delivery of Bonds shall, under the book-entry-only system, be deemed to be satisfied by notation on the records maintained by DTC of ownership interests of its participants (“DTC Participants”) and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“Indirect Participants”). DTC Participants and Indirect Participants will be



responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds (“Beneficial Owners”).

This Bond shall initially be issued in the name of Cede & Co., as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of principal and interest on this Bond. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Paying Agent or the Town.

If the date for payment of the principal of, redemption premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

The Bonds are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof. At the principal corporate trust office of the Bond Registrar, in the manner and subject to the limitations and conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any authorized denomination or denominations and bearing interest at the same rate.

The transfer of this Bond is registrable by the Registered Owner hereof in person or by his/her attorney or legal representative at the principal corporate trust office of the Bond Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the Town shall execute and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of any authorized denomination or denominations in an aggregate principal amount equal to the principal amount of this Bond, of the same Series and maturity and bearing interest at the same rate. Neither the Town nor the Bond Registrar shall be required to make any exchange or registration of transfer of any Bond during the fifteen (15) days immediately preceding the date of the Town’s giving notice of redemption or purchase or after such Bond has been selected for redemption or purchase.

**[INSERT REDEMPTION PROVISIONS]**

At least thirty (30) days, but not more than sixty days (60) before the redemption date of any Bonds, whether such redemption is in whole or in part, the Town shall cause a notice of any such redemption signed by the Town to be mailed, first class, postage prepaid, to all registered owners of Bonds to be redeemed in whole or in part, but any defect in such notice or the failure so to mail any such notice to the registered owners of any Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. On the date fixed for redemption, notice having been mailed in the manner provided in the Resolution and sufficient moneys having been

deposited with the Paying Agent or other Depository, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If a portion of this Bond shall be called for redemption a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to the Registered Owner upon the surrender hereof.

The owner of this Bond shall have no right to enforce the provisions of the Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution.

The Resolution permits the issuance of Additional Bonds or Refunding Bonds (as such terms are defined in the Resolution) secured on a parity with the Bonds upon compliance with certain conditions contained therein. Modifications or alterations of the Resolution, or any resolution supplemental thereto, may be made only to the extent and in the circumstances permitted by the Resolution.

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

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond have happened, exist and have been performed as so required.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Town of Miami Lakes, Florida has caused this Bond to be executed with the [manual] [facsimile] signatures of the Mayor of the Town and its Town Clerk and [a facsimile of] its official seal to be [impressed] [imprinted] hereon and this Bond to be dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

[SEAL]

TOWN OF MIAMI LAKES, FLORIDA

By: \_\_\_\_\_  
[Manual or Facsimile Signature]  
Town Clerk

By: \_\_\_\_\_  
[Manual or Facsimile Signature]  
Mayor

**CERTIFICATE OF AUTHENTICATION**

This Bond is a bond issued under the provisions of the within-mentioned Resolution.

\_\_\_\_\_, Bond Registrar

By: \_\_\_\_\_  
Authorized Signatory

Date of authentication: \_\_\_\_\_

## FORM OF ABBREVIATIONS FOR BONDS

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

TEN COM – as tenants in common  
TEN ENT – as tenants by the entireties  
JT TEN – as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT – \_\_\_\_\_ Custodian for \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

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

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_ (the Transferor), hereby sells, assigns and transfers unto \_\_\_\_\_ (the Transferee), whose address is \_\_\_\_\_ and whose social security number (or other federal income tax identification number) is \_\_\_\_\_ (PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ as attorney to register the transfer of the within Bond on the books kept for registration and registration of transfer thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature Guaranteed:

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

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

[END OF BOND FORM]

**EXHIBIT B**

**PAYING AGENT AND BOND REGISTRAR AGREEMENT**

**EXHIBIT C**

**BOND PURCHASE AGREEMENT**

**EXHIBIT D**  
**CONTINUING DISCLOSURE AGREEMENT**



**EXHIBIT E**

**DTC BLANKET LETTER OF REPRESENTATIONS**

**APPENDIX C**

**FORM OF BOND COUNSEL OPINION**

*On the date of issuance of the Series 2010 Bonds in definitive form, Squire, Sanders & Dempsey L.L.P., Bond Counsel, proposes to render its opinion in substantially the following form:*

## APPENDIX C

### PROPOSED FORM OF BOND COUNSEL OPINION

*Upon delivery of the Series 2010 Bonds, Squire, Sanders & Dempsey L.L.P. is prepared to render its final opinion with respect to the Series 2010 Bonds in substantially the following form:*

December \_\_, 2010

Mayor and Councilmembers of  
the Town Council of the  
Town of Miami Lakes, Florida

Re: \$\_\_\_\_\_ Town of Miami Lakes, Florida Special Obligation Bonds, Series 2010A (Government Center Project) and \$\_\_\_\_\_ Town of Miami Lakes, Florida Special Obligation Bonds, Federally Taxable Series 2010B (Government Center Project) (Build America Bonds - Direct Payment)

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the issuance by the Town of Miami Lakes, Florida (the "Town") of its \$\_\_\_\_\_ Town of Miami Lakes, Florida Special Obligation Bonds, Series 2010A (Government Center Project) (the "Series 2010A Bonds") and \$\_\_\_\_\_ Town of Miami Lakes, Florida Special Obligation Bonds, Federally Taxable Series 2010B (Government Center Project) (Build America Bonds - Direct Payment) (the "Series 2010B Bonds" and, together with the Series 2010A Bonds, the "Series 2010 Bonds"). The Series 2010 Bonds are issued pursuant to the Constitution and laws of the State of Florida, particularly Chapter 166, Part II, Florida Statutes, as amended, and Chapter 159, Part VII, Florida Statutes, as amended, the Charter of the Town and other applicable provisions of law (the "Act"), Ordinance No. 2010-\_\_ enacted by the Town Council of the Town (the "Town Council") on December \_\_, 2010, as supplemented by Resolution No. \_\_\_\_ adopted by the Town Council on December \_\_, 2010 (collectively, the "Bond Ordinance"). The Series 2010 Bonds are issuable as fully registered bonds in authorized denominations of \$5,000 and integral multiples thereof. The Series 2010 Bonds mature at the times, bear interest payable at the times and at the rates and are subject to redemption, all in the manner provided in the Bond Ordinance and as set forth in the Official Statement relating thereto. Capitalized terms used herein without definitions have the meanings ascribed thereto in the Bond Ordinance.

The Series 2010 Bonds are being issued for the purpose of providing funds, together with other available moneys, to (i) pay all or a portion of the cost of the Project, which may include capitalized interest, (ii) make a deposit to the Reserve Fund in respect of the Series 2010 Bonds, if necessary, and (iii) pay the costs of issuance of the Series 2010 Bonds.

We have examined the transcript of the proceedings (the “Transcript”) of the Town relating to its issuance of the Series 2010 Bonds and such other documents as we have deemed necessary to render this opinion. We have also examined a copy of an executed and authenticated Series 2010 Bond for each series of the Series 2010 Bonds. We assume that all other Series 2010 Bonds have been similarly executed and authenticated. As to questions of fact material to our opinion, we have relied on representations of the Town furnished to us, without undertaking to verify such representations by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Town is a municipal corporation organized and existing under the laws of the State of Florida with the power to enact or adopt, as the case may be, the Bond Ordinance, to perform its obligations thereunder and to issue the Series 2010 Bonds.

2. The Bond Ordinance has been duly enacted or adopted, as the case may be, by the Town and constitutes a legal, valid and binding obligation of the Town enforceable in accordance with its terms.

3. The issuance and sale of the Series 2010 Bonds have been duly authorized by the Town and, based on the assumption as to execution and authentication stated above, the Series 2010 Bonds constitute legal, valid and binding special obligations of the Town, payable solely from and secured by a lien on and pledge of the Pledged Revenues, in the manner and to the extent provided in the Bond Ordinance. The Series 2010 Bonds shall not be or constitute a pledge of the faith and credit of the State of Florida or of any political subdivision thereof, or the Town. Neither the faith and credit of the State of Florida nor the faith and credit of the Town are pledged to the payment of the principal of or redemption premium, if any, or interest on the Series 2010 Bonds, and the issuance of the Series 2010 Bonds shall not directly or indirectly or contingently obligate the State of Florida, or any political subdivision thereof, or the Town, to levy any ad valorem taxes whatever therefor or to make any appropriation for their payment except from the Pledged Revenues to the extent provided for under the Bond Ordinance.

4. The interest on the Series 2010A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. We express no opinion as to any other federal tax consequences regarding the Series 2010A Bonds.

Under the Code, interest on the Series 2010A Bonds is excluded from the calculation of a corporation’s adjusted current earnings for purposes of the corporate alternative minimum tax, but such interest may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations.

In giving the foregoing opinion in numbered paragraph 4., we have relied upon, and assumed continuing compliance with, the Town's covenants and the accuracy, which we have not independently verified, of the representations and certifications of the Town contained in the Transcript. The Town's continuing compliance with those covenants, and the accuracy of those representations and certifications, may be necessary for the interest on the Series 2010A Bonds to be and to remain excluded from gross income for federal income tax purposes. Failure to comply with certain requirements subsequent to issuance of the Series 2010A Bonds may cause interest on the Series 2010A Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2010A Bonds.

5. The Series 2010 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended.

In rendering the foregoing opinions we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings. As to questions of fact material to our opinion, we have relied on representations of the Town furnished to us, without undertaking to verify such representations by independent investigation.

Interest on the Series 2010B Bonds is not excluded from gross income for federal income tax purposes. No opinion is rendered with respect to the federal tax consequences of ownership of the Series 2010B Bonds.

It is to be understood that the rights of the Holders of the Series 2010 Bonds and the enforceability of the Bond Ordinance and the Series 2010 Bonds may be subject to judicial discretion and valid bankruptcy, insolvency, reorganization, moratorium and laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether considered in a proceeding in equity or at law).

We express no opinion as to the adequacy or accuracy of the Official Statement pertaining to the Series 2010 Bonds.

Respectfully submitted,

[To be signed "Squire, Sanders & Dempsey  
L.L.P."]

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**CONTINUING DISCLOSURE AGREEMENT**

**by and between**

**THE TOWN OF MIAMI LAKES, FLORIDA**

**and**

**DIGITAL ASSURANCE CERTIFICATION, L.L.C.**

**relating to:**

**\$\_\_\_\_\_**

**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS, SERIES 2010A  
(GOVERNMENT CENTER PROJECT)**

**\$\_\_\_\_\_**

**TOWN OF MIAMI LAKES, FLORIDA  
SPECIAL OBLIGATION BONDS,  
FEDERALLY TAXABLE SERIES 2010B  
(GOVERNMENT CENTER PROJECT)  
(BUILD AMERICA BONDS – DIRECT PAYMENT)**

**DATED DECEMBER \_\_, 2010**

## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the “Disclosure Agreement”), dated December \_\_, 2010, is executed and delivered by the Town of Miami Lakes, Florida (the “Town”) and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, and any successor disclosure dissemination agent serving hereunder pursuant to Section 10 hereof as Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”).

### RECITALS:

A. Contemporaneously with the execution and delivery of this Disclosure Agreement, the Town, pursuant to that Resolution No. 2010-\_\_ duly adopted by the Town on December 14, 2010 ( the “Bond Resolution”), the Town did issue its \$\_\_\_\_\_ Special Obligation Bonds, Series 2010A (Government Center Project) (the “Series 2010A Bonds”) and \$\_\_\_\_\_ Special Obligation Bonds, Federally Taxable Series 2010B (Government Center Project) (Build America Bonds – Direct Payment) (the “Series 2010B Bonds” and, together with the Series 2010A Bonds, the “Series 2010 Bonds”)

B. The Town has authorized the preparation and distribution of the Preliminary Official Statement dated December \_\_, 2010 with respect to the Series 2010 Bonds (the “Preliminary Official Statement”).

C. Upon the initial sale of the Series 2010 Bonds to Loop Capital Markets, LLC (the “Underwriter”), the Town authorized the preparation and use of the Official Statement dated December \_\_, 2010 with respect to the Series 2010 Bonds (the “Official Statement”).

D. As a condition precedent to the initial purchase of the Series 2010 Bonds by the Underwriter in accordance with the Bond Purchase Agreement dated December \_\_, 2010 by and between the Underwriter and the Town and in compliance with the Underwriter’s obligations under the Rule (as defined herein), the Town has agreed to undertake certain disclosure obligations with respect to the Series 2010 Bonds for the benefit of the Holders (hereinafter defined) as specified hereunder on an ongoing basis during the term hereof and has agreed to retain the Disclosure Dissemination Agent to perform certain disclosure dissemination tasks as provided for herein on its behalf.

**NOW THEREFORE**, in consideration of the purchase of the Series 2010 Bonds by the Underwriter and the mutual promises and agreements made herein, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the Town and the Disclosure Dissemination Agent do hereby certify and agree as follows:

**SECTION 1. Incorporation of Recitals.** The above recitals are true and correct and are incorporated into and made a part hereof.

**SECTION 2. Definitions.** Capitalized terms used, but not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Bond Resolution or the Official Statement, as applicable. In



addition to the terms defined elsewhere herein, the following capitalized terms shall have the following meanings for the purposes of this Disclosure Agreement:

“Annual Report” means an Annual Report described in and consistent with Section 4 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Sections 3(a) and 3(f) hereof, by which the Annual Report is to be filed with the Repositories.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Audited Financial Statements” means the General Purpose Financial Statements for the Town prepared in accordance with GAAP (as defined herein) for the prior Fiscal Year, certified by an independent auditor and specified in Section 4(b) of this Disclosure Agreement.

“Business Day” means a day other than a Saturday or a Sunday or a day on which banks in Florida are authorized or required by law to close.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Report or Notice Event notice required to be submitted to each Repository under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Town and include the full name of the Series 2010 Bonds and, to the best of its knowledge, the 9-digit CUSIP numbers for all Series 2010 Bonds to which the document applies.

“Disclosure Representative” means Finance Director the Town or their designee, or such other person as the Town shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Town pursuant to Section 10 hereof.

“EMMA” means the MSRB’s Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule. Further information regarding EMMA can be retrieved by visiting the web site <http://emma.msrb.org/>.

“Fiscal Year” means the fiscal year of the Town, which currently is the twelve month period beginning October 1 and ending on September 30 of the following year, or any such other twelve month period designated by the Town, from time to time, to be its fiscal year.

“GAAP” means generally accepted accounting principles promulgated by the Government and Financial Accounting Standards Boards as in effect from time to time in the United States,

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2010 Bonds (including persons holding Series 2010 Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Series 2010 Bonds for federal income tax purposes.

“Information” means the Annual Financial Information, the Audited Financial Statements (if any) the Notice Event notices, and the Voluntary Reports.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. Currently, MSRB's address, phone number and fax number for purposes of the Rule are:

MSRB  
c/o CDINet  
1900 Duke Street  
Suite 600  
Alexandria, VA 22314  
Phone: (703) 797-6000  
Fax: (703) 683-1930

“Notice Event” means an event listed in Sections 5(a) of this Disclosure Agreement.

“Obligated Person” means the Town and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Series 2010 Bonds (other than providers of reserve account letters of credit, or other liquidity facilities). The Town confirms that currently it is the only Obligated Person.

“Repository” or “NRMSIR” means any Nationally Recognized Municipal Securities Information Repository recognized for purposes of the Rule and the MSRB, as reflected on the website of the SEC at [www.sec.gov](http://www.sec.gov). Currently, the sole Repository is the MSRB, through the operation of EMMA.

“Rule” means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“State” means the State of Florida.

“State Repository” or “SID” means the information depository, if any, designated by the State for the purposes of the Rule or for similar municipal securities information depository purposes.

“Voluntary Report” means the information provided to the Disclosure Dissemination Agent by the Town pursuant to Section 8.

**SECTION 3. Provision of Annual Reports.**

(a) The Town shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent on or before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to each Repository not later than [\_\_\_\_\_] after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2011. If [\_\_\_\_\_] falls on a weekend, the Annual Report will be due the first Business Day thereafter. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement.

(b) If the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification by 12:00 noon on the Annual Filing Date, the Disclosure Dissemination Agent shall contact the Disclosure Representative by e-mail and telephone to remind the Town of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification) or (ii) instruct the Disclosure Dissemination Agent in writing that the Town will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that an event as described in Section 3(e)(iii)(15) has occurred and to immediately send a notice to each Repository in substantially the form attached as Exhibit A.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first Business Day following the Annual Filing Date for the Annual Report, an event described in Section 3(e)(iii)(15) shall have occurred and the Disclosure Dissemination Agent shall immediately send a notice to each Repository in substantially the form attached as Exhibit A.

(d) If the Audited Financial Statements of the Town are prepared but not available prior to the Annual Filing Date, the Town shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certificate, for filing with each Repository.

(e) The Disclosure Dissemination Agent shall:

(i) upon receipt, promptly file each Annual Report received under Section 3(a) with each Repository;

(ii) upon receipt, promptly file each Audited Financial Statement received under Section 3(d) with each Repository;

(iii) upon receipt, promptly file the text of each disclosure to be made with each Repository together with a completed copy of the MSRB Material Event Notice Cover Sheet in the form attached as Exhibit B, describing the event by checking the box indicated below when filing pursuant to the Section of this Disclosure Agreement indicated:

1. “Principal and interest payment delinquencies,” pursuant to Sections 5(c) and 5(a)(1) hereof;
2. “Non-Payment related defaults,” pursuant to Sections 5(c) and 5(a)(2) hereof;
3. “Unscheduled draws on debt service reserves reflecting financial difficulties,” pursuant to Sections 5(c) and 5(a)(3) hereof;
4. “Unscheduled draws on credit enhancements reflecting financial difficulties,” pursuant to Sections 5(c) and 5(a)(4) hereof;
5. “Substitution of credit or liquidity providers, or their failure to perform,” pursuant to Sections 5(c) and 5(a)(5) hereof;
6. “Adverse tax opinions or events adversely affecting the tax-exempt status of the Series 2010 Bonds,” pursuant to Sections 5(c) and 5(a)(6) hereof;
7. “Modifications to rights of securities Holders,” pursuant to Sections 5(c) and 5(a)(7) hereof;
8. “Bond calls,” pursuant to Sections 5(c) and 5(a)(8) hereof;
9. “Defeasances,” pursuant to Sections 5(c) and 5(a)(9) hereof;
10. “Release, substitution, or sale of property securing repayment of the Series 2010 Bonds,” pursuant to Sections 5(c) and 5(a)(10) hereof;
11. “Ratings changes on the Series 2010 Bonds,” pursuant to Sections 5(c) and 5(a)(11) hereof;
12. “Bankruptcy, insolvency, receivership or similar event” pursuant to Sections 5(c) and 5(a)(12) hereof;
13. “Merger, consolidation, or acquisition” pursuant to Sections 5(c) and 5(a)(13) hereof;
14. “Appointment of a successor or additional trustee or a change in the name of a trustee” pursuant to Sections 5(c) and 5(a)(14) hereof;

15. “Failure to provide annual financial information as required,” pursuant to Section 3(b)(ii) or Section 3(c) hereof, together with a completed copy of Exhibit A to this Disclosure Agreement;

16. “Other material event notice (specify),” pursuant to Section 8 hereof, together with the summary description provided by the Disclosure Representative; and

(iv) provide the Town evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Town may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent and the Repositories, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

#### **SECTION 4. Content of Annual Reports.**

(a) Each Annual Report shall contain Annual Financial Information with respect to the Town, consisting of or cross-referencing the following:

(i) The Audited Financial Statements.

(ii) Annual, updated historical financial information for the Town of the type included in the Official Statement under the titles “HISTORICAL COLLECTIONS OF THE ELECTRIC UTILITY TAX REVENUES” and “STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND.”

(b) Audited Financial Statements will be included in the Annual Report; provided, however, if the Audited Financial Statements are not completed prior to [\_\_\_\_\_] of any year, the Town shall provide unaudited financial statements on such date and shall provide the Audited Financial Statements as soon as practicable following their completion. Audited Financial Statements will be provided pursuant to Section 3(d) hereof.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Town is an “obligated person” (as defined by the Rule), which have been previously filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Town will clearly identify each such document so incorporated by reference.

If the Town has not filed the Annual Report when due, then the Town or the Dissemination Agent, on behalf of the Town, shall file a notice with each Repository as required by the Rule.

## **SECTION 5. Reporting of Notice Events.**

(a) The occurrence of any of the following events, with respect to the Series 2010 Bonds constitutes a Notice 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 relating to the Series 2010 Bonds 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-exempt status of the Series 2010 Bonds, or material events affecting the tax-exempt status of the Series 2010 Bonds;
7. Modifications to rights of Holders of the Series 2010 Bonds, if material;
8. Bond calls and tender offers (excluding sinking fund mandatory redemptions), if material;
9. Defeasances of the Series 2010 Bonds;
10. Release, substitution, or sale of property securing repayment of the Series 2010 Bonds, if material;
11. Rating changes on the Series 2010 Bonds;
12. Bankruptcy, insolvency, receivership or similar event of the Town;
13. The consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, 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.

The Town shall promptly, and in no event later than ten (10) Business Days after the occurrence thereof, notify the Disclosure Dissemination Agent in writing upon the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to immediately report the occurrence pursuant to subsection (c). Such notice shall be accompanied with the text of the disclosure that the Town desires to make, the written authorization of the Town for the Disclosure Dissemination Agent to disseminate such information, and the date the Town desires for the Disclosure Dissemination Agent to disseminate the information.

(b) The Disclosure Dissemination Agent is under no obligation to notify the Town or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within the earlier of: two (2) Business Days after receipt of such notice or nine (9) Business Days from the occurrence of such event, instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to immediately report the occurrence pursuant to subsection (c), together with the text of the disclosure that the Town desires to make, the written authorization of the Town for the Disclosure Dissemination Agent to disseminate such information, and the date the Town desires for the Disclosure Dissemination Agent to disseminate the information.

(c) If the Disclosure Dissemination Agent has been instructed by the Town as prescribed in subsection (a) or (b)(ii) of this Section 5 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly, and in any event within in one (1) Business Day, file a notice of such occurrence with each Repository.

**SECTION 6. CUSIP Numbers.** Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, notices of Notice Events, and Voluntary Reports filed pursuant to Section 8(a), the Town shall indicate the full name of the Series 2010 Bonds and, to the best of its knowledge, the 9-digit CUSIP numbers for the Series 2010 Bonds as to which the provided information relates. The Town by providing the CUSIP numbers is not representing or certifying as to the accuracy thereof.

**SECTION 7. Additional Disclosure Obligations.** The Town acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Town, and that the failure of the Disclosure Dissemination Agent to so advise the Town shall not constitute a breach by the Disclosure Dissemination Agent of any of its duties and responsibilities under this Disclosure Agreement. The Town acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

**SECTION 8. Voluntary Reports.**

(a) The Town may instruct the Disclosure Dissemination Agent to file information with the Repositories, from time to time pursuant to a Certification of the Disclosure Representative accompanying such information (a “Voluntary Report”).

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Town from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice, in addition to that required by this Disclosure Agreement. If the Town chooses to include any information in any Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement, the Town shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Annual Financial Statement, Voluntary Report or Notice Event notice.

**SECTION 9. Termination of Reporting Obligation.**

(a) The obligations of the Town and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Series 2010 Bonds (i) upon the legal defeasance, prior redemption or payment in full of all of the Series 2010 Bonds of such issue, (ii) when the Town is no longer an Obligated Person with respect to the Series 2010 Bonds, or (iii) upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

(b) If in the opinion of nationally recognized bond counsel satisfactory to the Town, the Rule shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder, and if and to the extent in the opinion of nationally recognized bond counsel satisfactory to the Town, the Rule, or any provisions thereof, shall be declared by a federal court of competent and final, non-appealable jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Series 2010 Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder.

(c) If a termination or cessation described in either Section 9(a) or (b) hereof occurs prior to the final maturity of the Series 2010 Bonds, the Town shall give or cause to be given notice of such event in the same manner as for a Notice Event under Section 5(c) hereof.

**SECTION 10. Disclosure Dissemination Agent.** The Town has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Town may, upon thirty days written notice to the Disclosure Dissemination Agent, replace or appoint a successor Disclosure Dissemination Agent. Upon



termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Town or DAC, the Town agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Series 2010 Bonds. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Town.

**SECTION 11. Remedies in Event of Default.** In the event of a failure of the Town or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement, it being the Town's position that money damages would be inadequate recompense and/or difficult to ascertain. A default under this Disclosure Agreement shall not constitute a default on the Series 2010 Bonds or be deemed an Event of Default under the Bond Resolution or under any other document relating to the Series 2010 Bonds, and all rights and remedies shall be limited to those expressly stated herein.

**SECTION 12. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.** The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Town has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Town and shall not be deemed to be acting in any fiduciary capacity for the Town, the Holders of the Series 2010 Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Town's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Town has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Town at all times.

**SECTION 13. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Town and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Town to the effect that such amendment or waiver does not materially impair the interests of Holders of the Series 2010 Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided the Town shall not be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Town shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Disclosure Dissemination Agent.

**SECTION 14. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Town, the Disclosure Dissemination Agent, the Underwriters, and the Holders from time to time of the Series 2010 Bonds, and shall create no rights in any other person or entity.

**SECTION 15. Governing Law.** This Disclosure Agreement shall be governed by and construed in accordance with the internal laws of the State (without regard to conflict of law principles thereof), provided that, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed in accordance with such federal securities laws and official interpretation thereof.

**SECTION 16. No Personal Liability.** None of the members or employees of the Town shall be charged personally with any liability, or held liable under any term or provision of this Disclosure Agreement because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

**SECTION 17. Severability.** In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if such illegal or invalid portions were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

**SECTION 18. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*[Signatures on following page]*

The Disclosure Dissemination Agent and the Town have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

**DIGITAL ASSURANCE CERTIFICATION,  
L.L.C., as Disclosure Dissemination Agent**

By: \_\_\_\_\_

Name: Paula Stuart

Title: Chief Executive Officer

**TOWN OF MIAMI LAKES, FLORIDA**

By: \_\_\_\_\_

Name: Michael A. Pizzi, Jr.

Title: Mayor

**EXHIBIT A**  
**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Issuer: Town of Miami Lakes, Florida

Obligated Person: Town of Miami Lakes, Florida

Name of Bond Issue: Town of Miami Lakes, Florida, Special Obligation Bonds, Series 2010A (Government Center Project) and Special Obligation Bonds, Federally Taxable Series 2010B (Government Center Project) (Build America Bonds – Direct Payment)

Date of Issuance: December \_\_, 2010

NOTICE IS HEREBY GIVEN that the Town has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement, dated as of December \_\_, 2010, between the Town and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Town has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

Digital Assurance Certification, L.L.C., as  
Disclosure Dissemination Agent, on behalf of the  
Town

---

cc: Town  
Obligated Person

**EXHIBIT B**  
**MATERIAL EVENT NOTICE COVER SHEET**

This cover sheet and material event notice should be sent to each Repository pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Town's and/or Other Obligated Person's Name:

.....

Town's Six-Digit CUSIP Number:

.....

or Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

.....

Number of pages of attached material event notice:

Description of Material Events Notice (Check One):

1.  Principal and interest payment delinquencies
2.  Non-Payment related defaults
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 or events affecting the tax-exempt status of the security
7.  Modifications to rights of securities holders
8.  Bond calls
9.  Defeasances
10.  Release, substitution, or sale of property securing repayment of the securities
11.  Rating changes
12.  Bankruptcy, insolvency, receivership or similar event
13.  Merger, consolidation, or acquisition
14.  Appointment of successor or additional trustee or a change in name of trustee
15.  Failure to provide annual financial information as required
16.  Other material event notice (specify)

\_\_\_\_\_

I hereby represent that I am authorized by the Town or its agent to distribute this information publicly:

Signature: .....

Name: ..... Title: .....

Employer: Digital Assurance Certification, L.L.C.

Address: .....

City, State, Zip Code:.....

Voice Telephone Number: .....

**APPENDIX E**

**TOWN OF MIAMI LAKES, FLORIDA  
FINANCIAL STATEMENTS FOR FISCAL YEAR  
ENDED SEPTEMBER 30, 2009**

*[As previously distribute, but not included to avoid duplication.]*