

RESOLUTION 11-R51

A RESOLUTION SUPPLEMENTING ORDINANCE 11-55 OF THE CITY OF PORT ST. LUCIE, FLORIDA, ENACTED ON AUGUST 22, 2011, WHICH AUTHORIZED THE ISSUANCE OF WATER AND SEWER SPECIAL ASSESSMENT REFUNDING BONDS, SERIES 2011B (UTILITY SERVICE AREA NOS. 5, 6 & 7A), IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$21,500,000 (THE "SERIES 2011B BONDS"); TO PROVIDE FUNDS, TOGETHER WITH OTHER AVAILABLE MONEYS, TO (i) REFUND ON A CURRENT BASIS ALL OF THE CITY'S OUTSTANDING SPECIAL ASSESSMENT BONDS, SERIES 2001D (UTILITY SERVICE AREA NOS. 5, 6 & 7A - WATER AND WASTEWATER EXPANSION PROJECT) ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$54,390,000, (ii) FUND A DEPOSIT OR PURCHASE A RESERVE ACCOUNT CREDIT FACILITY FOR DEPOSIT TO A BONDS RESERVE SUBACCOUNT IN THE RESERVE ACCOUNT, AND (iii) PAY THE COSTS OF ISSUANCE OF THE SERIES 2011B BONDS; PROVIDING FOR THE PAYMENT THEREOF FROM SPECIAL ASSESSMENTS LEVIED AGAINST THE BENEFITTED PROPERTY AND CERTAIN OTHER MONEYS; PROVIDING FOR THE APPLICATION OF PROVISIONS OF ORDINANCE 94-35, ENACTED BY THE CITY ON JULY 25, 1994, AND SECURITY FOR THE SERIES 2011B BONDS; PROVIDING FOR THE SALE OF THE SERIES 2011B BONDS AT NEGOTIATED SALE; AUTHORIZING THE CITY MANAGER TO DETERMINE CERTAIN DETAILS OF THE SERIES 2011B BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE SERIES 2011B BONDS; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF THE SERIES 2011B BONDS AND OF CERTIFICATES AND OTHER DOCUMENTS NECESSARY TO THE DELIVERY OF THE SERIES 2011B BONDS; ESTABLISHING A BOOK-ENTRY SYSTEM FOR THE SERIES 2011B BONDS; APPOINTING AN ESCROW AGENT AND A BOND REGISTRAR AND PAYING AGENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND REGISTRAR AND PAYING AGENT AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF THE SERIES 2011B BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTION AND THE EXECUTION OF ALL OTHER AGREEMENTS AND DOCUMENTS NECESSARY TO THE DELIVERY OF THE SERIES 2011B BONDS; AND PROVIDING AN EFFECTIVE DATE.

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BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PORT ST. LUCIE, FLORIDA:

Section 1. Authority. This resolution is adopted pursuant to the provisions of the Act, the Master Ordinance, and the Series 2011B Ordinance, is supplemental to the Series 2011B Ordinance, and constitutes the 2011B Supplemental Bond Resolution.

Section 2. Definitions. All capitalized terms not defined herein shall have the meanings specified in the Master Ordinance and the Series 2011B Ordinance. As used herein, unless the context otherwise requires:

“2011B Supplemental Bond Resolution” means this resolution, together with any amendments and supplements hereto.

“Award Certificate” means the Award Certificate to be executed by the City Manager and filed with the City Clerk in conjunction with the execution of the Bond Purchase Agreement, setting forth the final details of the Series 2011B Bonds, and the refunding of the Refunded Bonds and certifying compliance with the conditions for award set forth in Section 13 of this 2011B Supplemental Bond Resolution.

“Bond Ordinance” means, collectively, the Master Ordinance, the Series 2011B Ordinance, and this 2011B Supplemental Bond Resolution.

“Bond Purchase Agreement” means the agreement between the City and the Underwriter for the purchase of the Series 2011B Bonds, in substantially the form on file with the City Clerk, with such changes, insertions omissions and such filling in of blanks as shall be approved by the City Manager with the advice of the City Attorney and Bond Counsel, such approval to be presumed by the execution and delivery thereof.

“Bond Registrar” means with respect to the Series 2011B Bonds, U.S. Bank National Association, Orlando, Florida, and its successors.

“Bond Registrar and Paying Agent Agreement” means an agreement in customary form between the City and the Bond Registrar providing for the authentication of, and payment of the principal of, premium, if any, and interest on, the Series 2011B Bonds, in substantially the form on file with the City Clerk, with such changes, insertions, omissions and such filling in of blanks as shall be approved by the Mayor upon the recommendation of the City Manager with the advice of the City Attorney and Bond Counsel, such approval to be presumed by the execution and delivery thereof.

“Cede” means Cede and Co., as nominee for DTC.

“Debt Service Requirement Deficiency Amount” means the amount by which actual or projected collections of Series 2011B Special Assessments in any Bond Year are less than the Debt Service Requirement on the Series 2011B Bonds for such Bond Year.

“DTC” means the Depository Trust Company, New York, New York, as Depository for the Series 2011B Bonds.

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“Escrow Agent” means U.S. Bank National Association, and, its successors.

“Escrow Deposit Agreement” means the agreement between the city and the Escrow Agent, in substantially the form on file with the City Clerk, with such changes, insertions, omissions and filling in of blanks as shall be approved by the City Manager with the advice of the City Attorney and Bond Counsel, such approval to be presumed by the execution and delivery thereof.

“Letter of Representations” means the letter agreement dated February 23, 1998 between the City and DTC with respect to DTC’s serving as Depository and other matters.

“Master Ordinance” means Ordinance 94-35, duly enacted by the Council on July 25, 1994, together with any amendments thereto.

“Refunded Bonds” means the outstanding Series 2001D Bonds to be refunded.

“Reserve Account Credit Facility Deficiency Amount” means the amount remaining unreimbursed by Series 2011B Special Assessments or Series 2011B Investment Earnings, if any, thirty days after a draw is made on a Reserve Account Credit Facility, together with any other amounts owed to the Credit Facility Issuer in connection with the Reserve Account Credit Facility.

“Reserve Account Requirement Deficiency Amount” means the amount, if any, in any Bond Year by which the amount on deposit to the credit of the Series 2011B Reserve Subaccount is less than the Reserve Account Requirement for the Series 2011B Bonds.

“Series 2001D Refunding Costs” means the Refunding Costs associated with the refunding of the Series 2001D Bonds.

“Series 2011B Bonds Subaccounts” means the separate accounts established herein and maintained in the funds and accounts established pursuant to the Master Ordinance for the benefit of the Owners of the Series 2011B Bonds.

“Series 2011B Investment Earnings” means the earnings from the investment of moneys in the Series 2011B Bonds Subaccounts.

“Series 2011B Ordinance” means Ordinance 11-55 duly enacted by the Council on August 22, 2011.

“Series 2011B Pledged Revenues” means the Series 2011B Special Assessments, the moneys on deposit in the Series 2011B Subaccounts, and the Series 2011B Investment Earnings.

“Series 2011B Special Assessments” means the Special Assessments levied against the properties located within USA Nos. 5, 6 & 7A pursuant to the USA Nos. 5, 6 & 7A Assessment Resolutions.

“Underwriter” means RBC Capital Markets, LLC.

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“USA Nos. 5, 6 & 7A” means the Utility Service Area Nos. 5, 6 & 7A as more particularly described in the USA Nos. 5, 6 & 7A Assessment Resolutions.

“USA Nos. 5, 6 & 7A Assessment Resolutions” means the resolutions adopted by the Council establishing USA Nos. 5, 6 & 7A and providing for the levying and collection of Special Assessments within USA Nos. 5, 6 & 7A, including Resolution No. 01-R-42 adopted on July 16, 2001.

“USA Nos. 5, 6 & 7A Project” means the acquisition and construction of additions, extensions and improvements to the Utility System within USA Nos. 5, 6 & 7A, as more particularly described in the USA Nos. 5, 6 & 7A Assessment Resolutions.

Section 3. Findings. It is hereby found, determined and declared by the Council as follows:

A. The Series 2011B Ordinance authorized the issuance of not exceeding \$21,500,000 in aggregate principal amount of Series 2011B Bonds, in order to provide funds, together with other available moneys to (i) refund on a current basis the Refunded Bonds, (ii) fund a deposit or purchase of Reserve Account Credit Facility for deposit to the Series 2011B Reserve Subaccount in the Reserve Account for the Series 2011B Bonds, and (iii) pay the costs of issuance of the Series 2011B Bonds.

B. A negotiated sale of the Series 2011B Bonds is in the best interest of the health, safety and welfare of the City and its residents and is found to be necessary for the following reasons, as to which the following specific findings are hereby made: (1) the sensitivity of interest rates has increased the risk of sale upon advertisement, and it is more likely that the City will achieve better market timing and therefore, a lower interest rate by sale through negotiation; (2) the complex nature of the underlying security for the Series 2011B Bonds; and (3) to achieve better market timing to increase the savings on the Refunded Bonds and this can more successfully be accomplished by using an underwriter and a negotiated sale process.

C. In order to enable the timely sale and award of the Series 2011B Bonds, it is in the best interests of the City to authorize the City Manager to determine the details of sale of the Series 2011B Bonds within specified parameters and to execute an Award Certificate and a Bond Purchase Agreement for the sale of the Series 2011B Bonds on behalf of the City, subject to certain conditions.

D. It is necessary and desirable to provide for approval of the Preliminary Official Statement for the Series 2011B Bonds; to establish the book-entry registration system provisions for the Series 2011B Bonds; to designate the Registrar for the Series 2011B Bonds; and to authorize the taking of all other actions necessary or desirable in connection with the sale, issuance and delivery of the Series 2011B Bonds and the refunding of the Refunded Bonds.

Section 4. Description of Series 2011B Bonds. The Series 2011B Bonds shall be numbered RB-1 and upward, shall be dated, shall bear interest at the rates, payable on the dates, shall mature as to principal on the dates and in the amounts, shall be subject to redemption prior to maturity, all as set forth in the Bond Purchase Agreement, subject to the parameters set forth in

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Section 13 below. The Series 2011B Bonds shall be designated as “City of Port St. Lucie, Florida Water and Sewer Special Assessment Refunding Bonds, Series 2011B (Utility Service Area Nos. 5, 6 & 7A)”, and shall be substantially in the form set forth in Section 2.09 of the Master Ordinance with such omissions, insertions and variations as may be necessary or desirable relating to the Series 2011B Bonds.

Section 5. Security for Series 2011B Bonds.

A. Pledge and Lien. The Series 2011B Bonds shall be secured equally and ratably solely by a pledge of and lien upon the Series 2011B Pledged Revenues and, to the extent provided in this 2011B Supplemental Resolution, the Utility System Revenues deposited in the Series 2011B Bonds Subaccounts. The Series 2011B Bonds shall not be or constitute general obligations or indebtedness of the City as “bonds” within the meaning of the Constitution of the State of Florida, but shall be payable from and secured solely by a lien upon and pledge of the Series 2011B Pledged Revenues as provided herein and in the Master Ordinance and the Series 2011B Ordinance, and the Utility System Revenues deposited in the Series 2011B Bonds Subaccounts as provided herein. No Owner of any Series 2011B Bond shall ever have the right to compel the exercise of the ad valorem taxing power of the City or taxation in any form to pay the Debt Service on the Series 2011B Bonds. The Series 2011B Bonds shall not constitute a lien upon the USA 5, 6, & 7A Project or upon any property of or in the City except the Series 2011B Pledged Revenues in the manner provided in the Master Ordinance and to the extent provided herein the Utility System Revenues deposited in the Series 2011B Bonds Subaccounts.

B. Series 2011B Bonds Subaccounts. The Series 2011B Bonds Subaccounts are hereby created and established in the Funds and Accounts created pursuant to Section 3.03(A) of the Master Ordinance as the following Series Subaccounts: in the Sinking Fund, the “Series 2011B Debt Service Subaccount,” the “Series 2011B Bond Amortization Subaccount,” the “Series 2011B Reserve Subaccount” and the “Series 2011B Redemption Subaccount.”

C. Use of Series 2011B Pledged Revenues. All Series 2011B Special Assessments and Series 2011B Investment Earnings shall be applied and deposited in the manner provided in Section 3.04(A) and (B) of the Master Ordinance only into the Series 2011B Subaccounts. Moneys and Authorized Investments on deposit at any time in the Series 2011B Subaccounts may be used and applied only in the manner provided in Section 3.04(C) of the Master Ordinance for the payment of Debt Service on or the Redemption Price of the Series 2011B Bonds. Moneys on deposit in the Series 2011B Subaccounts may be invested and reinvested only in Authorized Investments in the manner provided in the Master Ordinance.

Section 6. Application of Series 2011B Pledged Revenues. The Series 2011B Pledged Revenues shall be collected, received, and applied only in the following manner and order of priority.

A. Series 2011B Special Assessments. Series 2011B Special Assessments, as received, shall be deposited into the Series 2011B Bonds Subaccounts in the Sinking Fund as follows:

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1. First, into the Series 2011B Debt Service Subaccount to the extent necessary to pay the principal and interest becoming due and payable on the Series 2011B Bonds during the current Bond Year;

2. Second, into the Series 2011B Bond Amortization Subaccount to the extent necessary to pay any Amortization Installments coming due in the current Bond Year;

3. Third, into the Series 2011B Reserve Subaccount to the extent of any deficiency therein; and

4. Fourth, into the Series 2011B Redemption Subaccount to the extent of any remaining moneys.

B. Series 2011B Investment Earnings. Series 2011B Investment Earnings shall be deposited as received in each Bond Year as follows:

1. First, into the Series 2011B Debt Service Subaccount to supplement the Series 2011B Special Assessments to the extent necessary to pay the principal and interest becoming due and payable on the Series 2011B Bonds during the current Bond Year;

2. Second, into the Series 2011B Bond Amortization Subaccount to supplement the Series 2011B Special Assessments to the extent necessary to pay Amortization Installments coming due in the current Bond Year;

3. Third, into the Series 2011B Reserve Subaccount to the extent of any deficiency therein; and

4. Fourth, into the Series 2011B Redemption Subaccount to the extent of any remaining moneys.

C. Use of Moneys in Series 2011B Bonds Subaccounts. Moneys on deposit in the Series 2011B Bonds Subaccounts shall be used and applied in each Bond Year only as follows:

1. *Debt Service Subaccount.* Moneys on deposit in the Series 2011B Debt Service Subaccount shall be applied:

(a) First, to pay the interest on the Series 2011B Bonds coming due during such Bond Year; and

(b) Second, to pay the principal of the Series 2011B Bonds maturing in such Bond Year.

2. *Bond Amortization Subaccount.* Moneys on deposit in the Series 2011B Bond Amortization Subaccount shall be used to pay the Amortization Installments of Term Bonds, if any, payable in such Bond Year.

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3. *Reserve Subaccount.* Moneys on deposit in the Series 2011B Reserve Subaccount shall be used to supplement the moneys on deposit in the Series 2011B Debt Service Subaccount and the Series 2011B Bond Amortization Subaccount to make the foregoing payments to the extent that the moneys in the Series 2011B Debt Service Subaccount and the Series 2011B Bond Amortization Subaccount are insufficient therefor; provided, if the moneys on deposit in the Series 2011B Reserve Subaccount exceed the Reserve Account Requirement for the Series 2011B Bonds, the excess moneys may be withdrawn from the Series 2011B Reserve Subaccount and deposited into the Series 2011B Debt Service Subaccount or into the Series 2011B Redemption Subaccount.

4. *Redemption Subaccount.* Moneys on deposit in the Series 2011B Redemption Subaccount shall be used to optionally redeem or purchase prior to maturity Series 2011B Bonds in such manner as is provided herein and in the Bond Purchase Agreement; provided, that moneys on deposit in the Series 2011B Redemption Subaccount may also be used to supplement the Series 2011B Reserve Subaccount to the extent necessary to pay the Debt Service Requirement on the Series 2011B Bonds.

Section 7. Covenants of the City. For so long as any of the Series 2011B Bonds and the interest thereon shall be outstanding and unpaid, or until the Series 2011B Bonds shall have been defeased in accordance with the provisions of Section 6.04 of the Master Ordinance, the City covenants with the Registered Owners of the Series 2011B Bonds as follows:

A. Covenants of Master Ordinance and Series 2011B Ordinance. The covenants and agreements contained in the Master Ordinance and the Series 2011B Ordinance shall be deemed to be and shall be for the benefit of the Registered Owners of the Series 2011B Bonds to the same extent as if fully set forth herein. In particular, and without limiting the generality of the foregoing, the covenants contained in Section 5.01(A) and (B) regarding the levy and collection of the Series 2011B Special Assessments shall be for the benefit of the Registered Owners of the Series 2011B Bonds.

B. Uniform Method for Collecting Assessments. The City will cause the Series 2011B Special Assessments to be collected pursuant to the uniform method as provided in Section 197.3632, Florida Statutes.

C. No Additional Bonds. The City will not grant or permit the creation of any other encumbrance, lien, or charge against the Series 2011B Pledged Revenues prior to or on a parity with the lien thereon of the Series 2011B Bonds; provided, however, additional special assessment districts may be created which encompasses all or a portion of the property located within USA Nos. 5, 6 & 7A.

D. Covenant of the City Relating to Utility System Revenues In addition to the deposit of the Series 2011B Special Assessments and the Series 2011B Investment Earnings as provided in Sections 6.A. and 6.B. of this 2011B Supplemental Bond Resolution, the City hereby covenants for the benefit of the holders of Series 2011B Bonds as follows:

1. The City will budget and appropriate and (a) deposit into the Series 2011B Reserve Subaccount any Reserve Account Requirement Deficiency Amount resulting

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from a draw on the Series 2011B Reserve Subaccount or a decline in market value of the Authorized Investments on deposit therein, within (30) thirty days of such draw or valuation, or, (b) if the Reserve Account Requirement for the Series 2011B Bonds is being satisfied in whole or in part by a Reserve Account Credit Facility, apply to the repayment of the Credit Facility Issuer the Reserve Account Credit Facility Deficiency Amount due with respect to any draws on the Reserve Account Credit Facility within (30) thirty days after determination of such Reserve Account Credit Facility Deficiency Amount; provided, however that such amounts budgeted and appropriated are to be solely from Utility System Revenues in accordance with paragraph 3 below

2. The City shall determine in connection with the preparation of its annual budget whether any Debt Service Requirement Deficiency Amount is expected in the Fiscal Year to which the budget relates. If a Debt Service Requirement Deficiency Amount is anticipated to occur, the City shall include in the budget of expenditures of Utility System Revenues for such Fiscal Year such Debt Service Requirement Deficiency Amount as a deposit into the Subordinate Bonds Debt Service Fund established under Section 3.03(A) of the Utility System Revenue Bonds Ordinance, and will transfer such amount into the Series 2011B Debt Service Subaccount or the Series 2011B Bond Amortization Subaccount, as applicable, in the same manner as deposits of the Series 2011B Special Assessment are provided for herein.

3. The obligation to budget and appropriate Utility System Revenues provided above will be deemed to be Subordinate Bonds for the purposes of the Utility System Revenue Bonds Ordinance. For the purposes of this Subsection D of this Section 7, any Utility System Revenues budgeted and appropriated by the City shall be from the Subordinate Bonds Debt Service Fund established under Section 3.03(A) of the Utility System Revenue Bonds Ordinance. The City shall revise the rates, fees and charges for the services of the Utility System pursuant to the provisions of Section 5.01(A) of the Utility System Revenue Bonds Ordinance, in order to provide sufficient moneys to make the payments for the benefit of the Bondholders provided above.

4. The covenants contained in this subsection D of this Section 7 shall be deemed to be on parity with all other similar covenants given under the provisions of the Master Ordinance to bonds similar to the Series 2011B Bonds.

Section 8. Bond Registrar and Paying Agent Agreement. The City hereby approves the form of the Bond Registrar and Paying Agent Agreement in substantially the form on file with the City Clerk, with such changes, insertions, omissions and such filling in of blanks as shall be approved by the Mayor upon recommendation of the City Manager with the advice of the City Attorney and Bond Counsel, such approval to be presumed by the execution and delivery thereof by the Mayor. The Mayor is hereby authorized to execute and the City Clerk is hereby authorized to attest and seal on behalf of the City, the Bond Registrar and Paying Agent Agreement with such changes, insertions, omissions and such filling in of blanks as shall be approved by the Mayor as provided above.

Section 9. Appointment of Escrow Agent; Escrow Deposit Agreement. The City hereby appoints U.S. Bank National Association, Orlando, Florida as the Escrow Agent. The

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City hereby approves the form of the Escrow Deposit Agreement in substantially the form on file with the City Clerk, with such changes, insertions, omissions and filling in of blanks as shall be approved by the Mayor upon the recommendation of the City Manager, with the advice of the City Attorney and Bond Counsel, such approval to be presumed by the execution and delivery thereof by the Mayor. The Mayor is hereby authorized to execute and the City Clerk is authorized to attest and seal the Escrow Deposit Agreement with such changes, insertions, omissions and such filling in of blanks as shall be approved by the Mayor as provided above.

Section 10. Book-Entry System. The Series 2011B Bonds shall be issued in Book-Entry Form in the name of Cede. The City Manager is authorized to make such provision and perform such acts as are necessary to provide for the issuance of the Series 2011B Bonds in Book-Entry Form.

While the Series 2011B Bonds are in Book-Entry Form through DTC, all payments for the principal of, and interest and redemption premiums, if any, on, the Series 2011B Bonds shall be paid by check, draft or wire transfer by the Paying Agent to Cede, without prior presentation or surrender of any Series 2011B Bonds (except for final payment thereof); and such payment to Cede shall constitute payment thereof pursuant to, and for all purposes, of this 2011B Supplemental Bond Resolution.

To the extent permitted by the provisions of the Letter of Representations, the City shall issue Series 2011B Bonds directly to beneficial owners of the Series 2011B Bonds other than DTC, or its nominee, in the event that:

- (a) DTC determines not to continue to act as securities depository for the Series 2011B Bonds; or
- (b) the City has advised DTC of its determination that DTC is incapable of discharging its duties; or
- (c) the City determines that it is in the best interest of the City not to continue the book-entry system or that the interests of the beneficial owners of the Series 2011B Bonds might be adversely affected if the book-entry system is continued.

Upon occurrence of the events described in (a) or (b) above, the City shall attempt to locate another qualified securities depository, and shall notify beneficial owners of the Series 2011B Bonds through DTC if successful. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause the Bond Registrar and Paying Agent to authenticate and deliver replacement Series 2011B Bonds in certificated form to the beneficial owners of the Series 2011B Bonds.

In the event the City makes the determination noted in (c) above (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any such determination), or if the City fails to locate another qualified securities depository to replace DTC upon occurrence of the events described in (a) or (b) above, the City shall mail a notice to DTC for distribution to the beneficial owners of the Series 2011B Bonds

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stating that DTC will no longer serve as securities depository, the procedures for obtaining such Series 2011B Bonds in certificated form and the provisions which govern the Series 2011B Bonds including, but not limited to, provisions regarding authorized denominations, provisions for transfer and exchange, provisions for principal and interest payments, and provisions as to other related matters.

Section 11. Application of Series 2011B Bonds Proceeds. All moneys received from the sale of the Series 2011B Bonds shall be applied by the City as follows:

A. An amount equal to the Reserve Account Requirement for the Series 2011B Bonds shall be deposited into the Series 2011B Reserve Subaccount.

B. The City shall next deposit an amount sufficient, together with any other moneys available for such purpose, to pay the principal of and interest on the Refunded Bonds with the Escrow Agent.

C. The City shall next deposit proceeds of the Series 2011B Bonds into an account to be created by the City entitled "the Series 2011B Cost of Issuance Account" from which the City shall pay the costs of issuance of the Series 2011B Bonds.

If, for any reason, the moneys on deposit in the Series 2011B Cost of Issuance Account, or any part thereof, are not necessary to pay the cost of issuance, then the unapplied proceeds shall be deposited by the City (1) first, into the Series 2011B Debt Service Subaccount to the extent of any deficiency therein, (2) second, into the Series 2011B Reserve Subaccount to the extent of any deficiency therein, and (3) thereafter shall be transferred to the Series 2011B Redemption Subaccount and used to redeem Series 2011B Bonds.

Section 12. Preliminary Official Statement; Final Official Statement. The printing and use of a Preliminary Official Statement in connection with the marketing of the Series 2011B Bonds is hereby authorized. The Preliminary Official Statement in substantially the form on file with the City Clerk is hereby approved with such changes, insertions and omissions and such filling in of blanks therein as may be approved by the Mayor upon the recommendation of the City Manager with the advice of the City Attorney, Disclosure Counsel and Bond Counsel. The Mayor and the City Clerk are hereby authorized to approve and execute, on behalf of the City, an Official Statement relating to the Series 2011B Bonds with such changes from the Preliminary Official Statement, within the authorizations and limitations contained herein, as the Mayor upon recommendation of the City Manager, with the advice of the City Attorney, Disclosure Counsel and Bond Counsel, in his sole discretion, may approve, such execution to be conclusive evidence of such approval. The City Manager is hereby authorized to deem the Preliminary Official Statement final for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The City Manager is hereby authorized to provide for the printing of the Preliminary Official Statement and the final Official Statement.

Section 13. Delegation of Authority to Determine Date of Sale and Details of Series 2011B Bonds and to Execute Bond Purchase Agreement; Conditions to Exercise of Authority; Award Certificate. The City Manager is hereby authorized and empowered, subject to the conditions hereinafter set forth, to determine the date of sale, amount, maturity dates,

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interest rates, dated date, redemption provisions and other details of the Series 2011B Bonds, and to execute the Bond Purchase Agreement on behalf of the City and to deliver an executed copy thereof to the Underwriter. This delegation of authority is expressly made subject to the following conditions, the failure of any of which shall render the Bond Purchase Agreement voidable at the option of the City. The conditions to exercise the authority to execute the Bond Purchase Agreement are:

A. The Bond Purchase Agreement shall be executed on behalf of the City by the City Manager not later than December 31, 2011, in substantially the form on file with the City Clerk, with such changes, insertions, omissions and filling in of blanks, subject to the parameters set forth in this section, as shall be approved by the City Manager with the advice of the City Attorney and Bond Counsel, with such approval to be presumed by the execution and delivery thereof to the Underwriter.

B. The aggregate principal amount (without regard to any original issue discount or premium) of the Series 2011B Bonds to be sold shall not exceed \$21,500,000.

C. The true interest cost rate on the Series 2011B Bonds shall not exceed five and one-half percent (5.5%) per annum.

D. The Series 2011B Bonds will not be subject to redemption at the option of the City, but if issued as Term Bonds, shall be subject to mandatory redemption by operation of the Series 2011B Bond Amortization Account. The Series 2011B Bonds shall also be subject to extraordinary mandatory redemption as provided in Section 14 hereof

E. The Series 2011B Bonds shall mature not later than September 1, 2021

F. The Underwriter shall have delivered to the City a good faith check in an amount not less than one percent (1%) of the par amount of the Series 2011B Bonds.

G. The purchase price for the Series 2011B Bonds shall be not less than ninety-eight and one-half percent (98.5%) of the par amount thereof, calculated without reference to any original issue discount.

In conjunction with the execution of the Bond Purchase Agreement, the City Manager shall file with the City Clerk an Award Certificate certifying compliance with the foregoing restrictions.

Section 14. Extraordinary Mandatory Redemption. The Series 2011B Bonds shall be subject to extraordinary mandatory redemption at any time on any date, without premium, in ascending order of maturities and by lot within a maturity, at a redemption price equal to par plus accrued interest to the redemption date, from moneys on deposit in the Series 2011B Redemption Subaccount established herein from excess moneys on deposit in the Series 2011B Debt Service Subaccount in the Sinking Fund, which may include moneys resulting from the prepayment of Series 2011B Special Assessments, and Series 2011B Investment Earnings deposited or retained in the Series 2011B Redemption Subaccount.

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Section 15. Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the Series 2011B Bonds, the City agrees, in accordance with and as the only obligated person with respect to the Series 2011B Bonds under 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 City's continuing disclosure agreement, including provisions for enforcement, amendment and termination, the Mayor is hereby authorized and directed to execute and deliver, and the City Clerk is hereby directed to attest and seal in the name and on behalf of the City, a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), in substantially the form on file with the City Clerk, with such changes, insertions and omissions and such filling in of blanks therein as may be approved by the City Manager. The execution and delivery of the Continuing Disclosure Agreement, for and on behalf of the City by the Mayor, shall be deemed conclusive evidence of the City's approval of the Continuing Disclosure Agreement. The agreement formed, collectively, by this paragraph and the Continuing Disclosure Agreement, shall be the City's continuing disclosure agreement for purposes of the Rule, and its performance shall be subject to the availability of funds to meet costs the City would be required to incur to perform it. Notwithstanding any other provisions of this resolution, any failure by the City to comply with any provisions of the Continuing Disclosure Agreement shall not constitute a default under the Bond Ordinance and the remedies therefor shall be solely as provided in the Continuing Disclosure Agreement.

Section 16. Credit Facility and Reserve Account Credit Facility.

A. Commitments. The acceptance of any commitments for a Credit Facility and a Reserve Account Credit Facility by the City Manager is hereby authorized if determined by the City Manager to be in the best interest of the City with respect to the Series 2011B Bonds. The City hereby covenants to comply with the additional provisions required by any commitments accepted by the City Manager.

B. Policy and Payment. If the City Manager accepts the commitment for a Credit Facility, there shall be printed on each Series 2011B Bond a statement to the effect that payment of the principal of and interest thereon is insured by the Credit Facility Issuer under such Credit Facility, and the proper officers of the City are hereby authorized and directed to pay or cause to be paid to the Credit Facility Issuer the premium stated in such commitment upon the delivery of the Credit Facility and Reserve Account Credit Facility, as applicable.

C. Agreements. The City hereby authorizes the City Manager to secure the Credit Facility and Reserve Account Credit Facility, if determined to be in the best interest of the City with respect to the Series 2011B Bonds and to enter into such agreements as may be necessary to secure such Credit Facility or Reserve Account Credit Facility in substantially the form as necessary to comply with any commitments accepted by the City Manager, with such changes, insertions, omissions and such filling in of blanks as shall be approved by the Mayor, with the Mayor's execution of any such agreements to be conclusive evidence of the City's approval thereof; provided, however, that any such agreement shall be in the form and substance satisfactory to the City Manager, Bond Counsel and the City Attorney. The provisions of any such agreement shall supersede any inconsistent provisions of the Bond Ordinance and/or this

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2011B Supplemental Bond Resolution and any default by the City under such agreement shall be deemed to be, and be treated the same as, a covenant default under the Bond Ordinance.

Section 17. Further Authorizations. The Mayor, City Clerk, City Finance Director and City Manager, with the advice of the City Attorney and Bond Counsel to the City, are hereby authorized and empowered, collectively and individually, to take all action and steps and to execute and deliver, on behalf of the City, and in their official capacities, the Series 2011B Bonds, and any and all instruments, documents, or certificates, including but not limited to the Bond Purchase Agreement, the Bond Registrar and Paying Agent Agreement, the Official Statement, the Letter of Representations, a Tax Compliance Certificate, a Continuing Disclosure Agreement, any agreements required by a provider of a Credit Facility and/or Reserve Account Credit Facility and any other such documents or certificates which are necessary or desirable in connection with the issuance and delivery of the Series 2011B Bonds.

Section 18. Repealing Clause. All resolutions of the City, or parts thereof, in conflict with the provisions of this resolution are to the extent of such conflict hereby superseded and repealed.

Section 19. Effective Date. This resolution shall take effect immediately upon its adoption.

Passed And Approved by the Council of the City of Port St. Lucie, Florida, this 22nd day of August, 2011.

CITY OF PORT ST. LUCIE, FLORIDA

By: _____
JoAnn M. Faiella, Mayor

(SEAL)

ATTEST:

Karen A. Phillips, City Clerk

APPROVED AS TO FORM:

Roger G. Orr, City Attorney