

RESOLUTION 12-R59

A RESOLUTION SUPPLEMENTING ORDINANCE 12-26 OF THE CITY OF PORT ST. LUCIE, FLORIDA, ENACTED ON MAY 29, 2012, WHICH AUTHORIZED THE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 2003 AND A PORTION OF THE CITY'S OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 2004; PROVIDING FOR THE SALE AND ISSUANCE OF NOT EXCEEDING \$30,000,000 UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2012, IN CONNECTION THEREWITH; PROVIDING FOR THE SALE OF THE SERIES 2012 BONDS AT NEGOTIATED SALE; PROVIDING FOR THE PAYMENT OF THE SERIES 2012 BONDS FROM CERTAIN PLEDGED REVENUES; AUTHORIZING THE CITY MANAGER TO DETERMINE THE DATE OF SALE OF, AND THE DETAILS OF THE SERIES 2012 BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE CONTRACT; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT; APPOINTING AN ESCROW AGENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE OFFICERS AND OFFICIALS OF THE CITY TO EXECUTE AND DELIVER THE SERIES 2012 BONDS AND SUCH AGREEMENTS AND CERTIFICATES AS ARE NECESSARY AND DESIRABLE IN CONNECTION WITH THE SALE, ISSUANCE AND DELIVERY OF THE SERIES 2012 BONDS; AUTHORIZING THE CITY MANAGER TO OBTAIN A CREDIT FACILITY IN RESPECT OF THE SERIES 2012 BONDS AND TO ENTER INTO ANY AGREEMENTS NECESSARY IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTION AND THE EXECUTION OF ALL OTHER AGREEMENTS AND DOCUMENTS NECESSARY TO THE DELIVERY OF THE SERIES 2012 BONDS; AND PROVIDING AN EFFECTIVE DATE.

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

ARTICLE I

AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01 Authority for this Series 2012 Bond Resolution. This Series 2012 Bond Resolution is adopted pursuant to the provisions of the Act, the Original Ordinance, and the Series 2012 Bond Ordinance and, together with the Original Ordinance and the Series 2012 Bond Ordinance (collectively referred to as the “Bond Ordinance”).

Section 1.02 Definitions. Unless the context otherwise requires, capitalized terms used in this Series 2012 Bond Resolution shall have the meanings specified in this Section. Terms not otherwise defined in this Section shall have the meanings specified in the Original Ordinance or the Series 2012 Bond 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.

“Agreement Regarding Bond Insurance” means, with respect to the Series 2012 Bonds, the agreement regarding bond insurance between the City and the Registrar pursuant to which certain covenants are incorporated as a condition of the Bond Insurer to the issuance of the Policy.

“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 Purchase Contract, setting forth the final details of the Series 2012 Bonds and certifying compliance with the conditions for award set forth in Section 5.01 of this Resolution.

“Bond Insurer” means Assured Guaranty Municipal Corp., or any successor thereto.

“Bond Ordinance” means, collectively, the Original Ordinance, the Series 2012 Bond Ordinance and this Series 2012 Bond Resolution.

“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, and interest on, the Series 2012 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, as provided in Section 5.04 hereof.

“Book-Entry Form” or “Book-Entry Consolidated System” means a form or system, as applicable, under which (i) Series 2012 Bonds are issued to a Depository or to its nominee, as Registered Owner, (ii) Series 2012 Bonds are held by and “immobilized” in the custody of such Depository, and (iii) records are maintained by the Depository and/or other persons to identify and record the transfer of beneficial interests in the Series 2012 Bonds.

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

“City Manager” means the City Manager of the City, as the chief administrative officer thereof, or his designee.

RESOLUTION 12-R59

“Commitments” means the Commitment for a Policy to be issued by the Bond Insurer to the City and the Commitment for the Surety Bond to be issued by the Bond Insurer to the City.

“Credit Facility” means, with respect to the Series 2012 Bonds, the Policy, if issued.

“Credit Facility Issuer” means, with respect to the Series 2012 Bonds, the Bond Insurer.

“DTC” means The Depository Trust Company, New York, New York, a securities depository.

“Depository” means any securities depository that is operating and maintaining, with its participants or otherwise, a Book-Entry Consolidated System to record ownership of beneficial interests in Series 2012 Bonds or debt service on Series 2012 Bonds and to effect transfers of Series 2012 Bonds in Book-Entry Form, including, but not limited to, DTC.

“Escrow Agent” means U.S. Bank, National Association, Orlando, Florida or its successor.

“Escrow Deposit Agreement” means one or more the Escrow Deposit Agreements between the City and the Escrow Agent, relating to the Refunded Bonds.

“Letter of Representations” means the blanket letter agreement between the City and DTC, dated March 23, 1998, with respect to Bonds issued in book-entry only form.

“Mayor” means the Mayor or the Vice Mayor of the City.

“Original Ordinance” means Ordinance 94-29, enacted by the Council on June 27, 1994, as amended or supplemented by Ordinance 97-56, enacted by the Council on September 16, 1997, Ordinance 00-50, enacted by the Council on June 12, 2000, Ordinance 01-28, enacted by the Council on May 29, 2001, Ordinance 04-31, enacted by the Council on March 8, 2004, as may be further amended and supplemented from time to time.

“Outstanding Parity Bonds” means the City’s Outstanding (a) Utility System Revenue Bonds, Series 2001, dated June 1, 2001 and June 7, 2001, (b) Utility System Revenue Bonds, Series 2003, dated May 1, 2003, remaining outstanding after the refunding of the Refunded Bonds, (c) Utility System Revenue Bonds, Series 2004, dated May 13, 2004, remaining outstanding after the refunding of the Refunded Bonds, (d) Utility System Refunding Revenue Bonds, Series 2004A, dated September 30, 2004, (e) Utility System Revenue Bonds, Series 2006, dated July 7, 2006, (f) Utility System Refunding Revenue Bonds, Series 2006A, dated December 14, 2006, (g) Utility System Refunding and Improvement Revenue Bonds, Series 2007, dated September 18, 2007, and (h) Utility System Refunding Revenue Bonds, Series 2009, dated June 4, 2009, Outstanding from time to time under the provisions of the Original Ordinance.

“Paying Agent” and “Registrar” means U. S. Bank, National Association, Orlando, Florida, or its successor.

“Pledged Revenues” with respect to the Series 2012 Bonds shall mean the Net Revenues and, to the extent of the Capital Facilities Charges Debt Service Component, the Capital Facilities Charges.

RESOLUTION 12-R59

“Policy” means the financial guaranty insurance policy to be issued by the Bond Insurer with respect to the Series 2012 Bonds, if any.

“Purchase Contract” means a contract between the City and the Underwriter setting forth the conditions upon which the Series 2012 Bonds will be sold by the City and purchased by the Underwriter and the details of the Series 2012 Bonds, in substantially the form on file with the City Clerk, with such changes, insertions, omissions and such filling in of the blanks as provided in Section 5.01 of this Series 2012 Bond Resolution.

“Refunded Bonds” means collectively, all of the Series 2003 Refunded Bonds, and the Series 2004 Refunded Bonds.

“Refunding” means the program for refinancing the Refunded Bonds through the issuance of the Series 2012 Bonds and the payment of the Refunded Bonds through the date of redemption.

“Refunding Costs” means, but shall not necessarily be limited to: the cost of payment of the principal of, and interest on the Refunded Bonds; expenses for estimates of costs and of revenues; the fees of fiscal agents, financial advisors and consultants; legal fees and expenses, verification agent fees, administrative expenses; discount upon the sale of the Series 2012 Bonds; the cost of purchasing the Policy, if any; and such other expenses as may be necessary or incidental to the financing authorized by this Series 2012 Bond Resolution, to the Refunding, and to the accomplishing thereof; and reimbursement to the City for any sums expended for the foregoing purposes in anticipation of the issuance of the Series 2012 Bonds.

“Reimbursement Agreement” means the Reimbursement Agreement between the City and the Bond Insurer relating to the Surety Bond, if any.

“Series 2003 Refunded Bonds” means the City’s Outstanding Utility System Revenue Bonds, Series 2003, maturing in the years to be selected by the City Manager as provided in Section 5.01(H) hereof.

“Series 2004 Refunded Bonds” means the City’s Outstanding Utility System Revenue Bonds, Series 2004 maturing in the years to be selected by the City Manager as provided in Section 5.01(H) hereof.

“Series 2012 Bond Ordinance” means the Ordinance relating to the Series 2012 Bonds duly enacted by the Council on May 29, 2012.

“Series 2012 Bond Resolution” means, collectively, this Series 2012 Bond Resolution and all resolutions amendatory hereof or supplemental hereto.

“Series 2012 Bonds” means the City’s Utility System Refunding Revenue Bonds, Series 2012, authorized to be issued hereunder.

“Surety Bond” means the Reserve Account Credit Facility to be issued by the Bond Insurer with respect to the Series 2012 Bonds, if any.

RESOLUTION 12-R59

“Underwriter” means RBC Capital Markets, LLC, as senior managing underwriter, and others, if any, named in the Purchase Contract, as the initial purchasers of the Series 2012 Bonds.

Section 1.03 Findings. It is hereby ascertained, determined and declared by the Council that:

- A. The City has previously issued and there remains Outstanding the Refunded Bonds.
- B. The City is authorized pursuant to the provisions of the Act and the Bond Ordinance to provide for the refunding of the Refunded Bonds through the issuance of the Series 2012 Bonds and to pledge the Pledged Revenues to secure the payment of debt incurred to refund the Refunded Bonds.
- C. The Pledged Revenues are estimated to be sufficient to pay as the same become due and payable the Debt Service Requirement on the Outstanding Parity Bonds and the Series 2012 Bonds and to make all other payments required to be made by the provisions of the Bond Ordinance.
- D. Section 5.01(H) of the Original Ordinance provides for the issuance of Additional Parity Bonds under the terms, limitations and conditions provided therein. The City will comply with the terms, limitations and conditions contained in the Original Ordinance to the extent required therein and will, therefore, be legally entitled to issue the Series 2012 Bonds as Additional Parity Bonds under the provisions of the Original Ordinance.
- E. After the issuance of the Series 2012 Bonds, the Series 2012 Bonds and the Outstanding Parity Bonds will be on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues, and all of the covenants and provisions of the Original Ordinance will apply fully to the Series 2012 Bonds to the same extent as to the Outstanding Parity Bonds.
- F. The City has received or expects to receive Commitments from the Bond Insurer for issuance of the Policy and the Surety Bond, and it is in the best interests of the City to complete the purchase of the Policy and it may be in the best interests of the City to complete the purchase of the Surety Bond.
- G. Based upon the Commitment for the Policy, the City expects to receive from Moody’s Investors Service, New York, New York, and S&P, New York, New York, at or prior to the issuance of the Series 2012 Bonds, bond ratings higher than the underlying ratings on the Series 2012 Bonds.
- H. In the Series 2012 Bond Ordinance, the Council authorized the City Manager to proceed with preparation of financing documents and, with the advice of the City Attorney, Bond Counsel, and Disclosure Counsel, to develop documents necessary for the offering and sale of the Series 2012 Bonds.
- I. It is necessary, desirable, and in the best interest of the health, safety, and welfare of the City and its inhabitants that the Series 2012 Bonds be offered and sold at negotiated sale in order that the City may achieve optimum timing of the sale of the Series 2012 Bonds and maximum

RESOLUTION 12-R59

benefit from pre-marketing of the Series 2012 Bonds and thereby minimize the likelihood of paying a higher interest rate on the Series 2012 Bonds which could result from a sale of the Series 2012 Bonds through advertisement.

J. In order to enable the timely sale and award of the Series 2012 Bonds, it is in the best interests of the City to authorize the City Manager to determine the details of sale of the Series 2012 Bonds within specified parameters and to execute an Award Certificate and a Purchase Contract for the sale of the Series 2012 Bonds on behalf of the City, subject to certain conditions.

K. It is necessary and desirable in connection with the issuance and delivery of the Series 2012 Bonds to the Underwriter to authorize the execution and delivery on behalf of the City of a Bond Registrar and Paying Agent Agreement, in the usual and customary form; to authorize the execution and delivery of a tax compliance certificate, a continuing disclosure undertaking, and such other closing agreements, documents, and certificates as are usual and customary in connection with the delivery of bonds, all upon the recommendation of the City Manager, with the advice of the City Attorney and Bond Counsel; and to authorize the taking of such further action by the Mayor, City Manager, City Clerk, and others employed by or acting on behalf of the City as is necessary to effect the issuance and delivery of the Series 2012 Bonds and the application of the proceeds thereof to the Refunding of the Refunded Bonds.

ARTICLE II

AUTHORIZATION OF ISSUANCE OF SERIES 2012 BONDS; DESCRIPTION, DETAILS AND FORM OF SERIES 2012 BONDS

Section 2.01 Sale of Series 2012 Bonds. Subject and pursuant to the provisions of this Series 2012 Bond Resolution and the Bond Ordinance, special, limited obligations of the City, designated "Utility System Refunding Revenue Bonds, Series 2012", shall be offered and sold in an aggregate principal amount not to exceed \$30,000,000 (exclusive of original issue discount) in one Series or in multiple subseries, for the purpose of (i) refunding on an advance basis the Series 2003 Refunded Bonds and the Series 2004 Refunded Bonds, (ii) funding the purchase of a Surety Bond or a deposit to the Reserve Account in an amount equal to the increase in the Reserve Account Requirement resulting from the issuance of the Series 2012 Bonds, and (iii) paying the costs of issuance of the Series 2012 Bonds.

Section 2.02 Description of Series 2012 Bonds. The Series 2012 Bonds, current interest paying bonds or capital appreciation bonds, shall be numbered; shall be dated; shall bear interest at the rates, not exceeding the maximum permitted rate, payable on the dates; shall be issued in one Series or multiple subseries as tax-exempt bond, taxable bonds or both; shall mature as to principal on the dates and in the amounts; may be subject to redemption prior to maturity; and shall have such other characteristics, not inconsistent with the requirements of the Bond Ordinance and of Section 5.01 hereof, as shall be specified in the Purchase Contract.

Section 2.03 Book-Entry System. The Series 2012 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 2012 Bonds in Book-Entry Form.

RESOLUTION 12-R59

All payments for the principal of, and interest and redemption premiums, if any, on, the Series 2012 Bonds shall be paid by check, draft or wire transfer by the Paying Agent to Cede, without prior presentation or surrender of any Series 2012 Bonds (except for final payment thereof); and such payment to Cede shall constitute payment thereof pursuant to, and for all purposes, of this Series 2012 Bond Resolution.

To the extent permitted by the provisions of the Letter of Representations, the City shall issue Series 2012 Bonds directly to beneficial owners of the Series 2012 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 2012 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 Consolidated System or that the interests of the beneficial owners of the Series 2012 Bonds might be adversely affected if the Book-Entry Consolidated 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 2012 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 to authenticate and deliver replacement Series 2012 Bonds in certificated form to the beneficial owners of the Series 2012 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 2012 Bonds stating that DTC will no longer serve as securities depository, the procedures for obtaining such Series 2012 Bonds in certificated form, and the provisions which govern the Series 2012 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 2.04 Form of Series 2012 Bonds. The text of the Series 2012 Bonds shall be in substantially the form of Exhibit A hereto, with such omissions, insertions, and variations as may be necessary and desirable, and as may be authorized or permitted by the Bond Ordinance and approved by Bond Counsel and the City Attorney.

ARTICLE III

APPLICATION OF SERIES 2012 BOND PROCEEDS;

Section 3.01 Application of Series 2012 Bond Proceeds. The proceeds, including accrued interest and net premium, if any, received from the sale of any or all of the Series 2012

RESOLUTION 12-R59

Bonds shall be applied by the City in the following manner and order of priority, simultaneously with their delivery to the Underwriter, as follows:

A. An amount necessary to provide for the Refunding and redemption in full of the Series 2003 Refunded Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Deposit Agreement.

B. An amount necessary to provide for the Refunding and redemption in full of the Series 2004 Refunded Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Deposit Agreement.

C. An amount equal to the increase in the Reserve Account Requirement resulting from the issuance of the Series 2012 Bonds shall be deposited in the Reserve Account, unless a Surety Bond is on deposit or to be issued in satisfaction of the increase in the Reserve Account Requirement, if any.

D. To the extent not paid or reimbursed therefore by the Underwriter, the remaining proceeds of the Series 2012 Bonds shall be deposited with the City to pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2012 Bonds.

ARTICLE IV

SECURITY FOR SERIES 2012 BONDS; APPLICATION OF PROVISIONS OF ORIGINAL ORDINANCE

Section 4.01 Security for the Series 2012 Bonds. The Series 2012 Bonds shall be secured by a lien upon and pledge of the Pledged Revenues, as defined in this Series 2012 Bond Resolution. Neither the Series 2012 Bonds nor the interest or premium, if any, thereon shall be deemed to be a general obligation or indebtedness of the City within the meaning of the Florida Constitution, and the City shall never be required or permitted to levy ad valorem taxes on any property of or in the City to pay the Debt Service Requirement on the Series 2012 Bonds or to make any of the payments required under the Bond Ordinance. The obligation of the City to pay the Series 2012 Bonds and the interest and premium, if any, thereon shall not be secured by a lien upon any property of or in the City other than the Pledged Revenues in the manner provided in the Bond Ordinance.

Section 4.02 Application of Provisions of the Original Ordinance. The Series 2012 Bonds shall for all purposes be considered to be Additional Parity Bonds issued under the authority of the Original Ordinance and shall be entitled to all the protection and security provided therein for the Outstanding Parity Bonds. The covenants and pledges contained in the Original Ordinance shall be applicable to the Series 2012 Bonds herein authorized in like manner as applicable to the Outstanding Parity Bonds.

Section 4.03 Remedies. Any Registered Owner of, or any Credit Facility Issuer for the Series 2012 Bonds shall have available the remedies specified in the Original Ordinance.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01 Delegation of Authority to Determine Date of Sale and Details of Series 2012 Bonds and to Execute Bond Purchase Contract; Conditions to Exercise of Authority; Award Certificate. The City Manager is hereby, subject to the conditions hereinafter set forth, authorized and empowered to determine the date of sale, amount, maturity dates, interest rates, dated date, redemption provisions and other details of the Series 2012 Bonds, including whether it issue the Series 2012 Bond in one Series or multiple subseries and as tax-exempt bonds, taxable bonds or both, and to execute the Purchase Contract 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 Purchase Contract voidable at the option of the City. The conditions to exercise the authority to execute the Purchase Contract are:

A. The Purchase Contract shall be executed on behalf of the City by the City Manager not later than October 1, 2012 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) of the Series 2012 Bonds to be sold shall not exceed \$30,000,000.

C. The true interest cost rate on the Series 2012 Bonds shall not exceed four and one-half percent (4.50%) per annum.

D. The Series 2012 Bonds may be subject to redemption at the option of the City no later than 10 years from the date of issuance and at a redemption price not greater than one hundred and three percent (103%) of the principal amount redeemed and if issued as Term Bonds, shall be subject to mandatory redemption by operation of the Bond Amortization Account in the Sinking Fund.

E. The Series 2012 Bonds shall mature not later than September 1, 2034.

F. The Underwriter shall have delivered to the City a good faith deposit in an amount not less than one percent (1%) of the par amount of the Series 2012 Bonds.

G. The purchase price for the Series 2012 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.

H. The City Manager shall determine upon consultation with the Finance Director at the time of pricing which maturities shall be part of the Series 2003 Refunded Bonds and the Series 2004 Refunded Bonds as determined to be in the best interest of the City.

RESOLUTION 12-R59

In conjunction with the execution of the Purchase Contract, the City Manager shall file with the City Clerk an Award Certificate certifying compliance with the foregoing restrictions and the selection of the Series 2003 Refunded Bonds and the Series 2004 Refunded Bonds to be refunded.

Section 5.02 Preliminary Official Statement; Official Statement. The printing and use of a Preliminary Official Statement in connection with the marketing of the Series 2012 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 2012 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, in her 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 Official Statement.

Section 5.03 Credit Facility and Surety Bond Provisions.

A. Commitments. The acceptance of either or both of the Commitments for a Credit Facility and a Surety Bond by the City Manager is hereby authorized as may be in the best interests of the City. The City hereby covenants to comply with the additional provisions required by the Commitment or Commitments accepted by the City Manager.

B. Policy and Payment. If it is determined by the City Manager to purchase the Policy, there shall be printed on each Series 2012 Bond a statement to the effect that payment of the principal of and interest thereon is insured by the Bond Insurer under the Policy, and the proper officers of the City are hereby authorized and directed to pay or cause to be paid to the Bond Insurer the premium stated in the applicable Commitments upon the delivery of the Policy and/or the Surety Bond, as appropriate.

C. Agreements. The Council hereby authorizes the City Manager to secure the Policy and/or the Surety Bond, if determined to be in the best interest of the City with respect to the Series 2012 Bonds and to enter into such agreements as may be necessary to secure the Policy and/or the Surety Bond, including but not limited to the Agreement Regarding Bond Insurance, the Reimbursement Agreement, or both, 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, 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 Series 2012 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.

RESOLUTION 12-R59

Section 5.04 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 5.05 Appointment of Escrow Agent; Escrow Deposit Agreement. The Council hereby appoints U.S. Bank, National Association, Orlando, Florida as the Escrow Agent. The 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 filling in of blanks as shall be approved by the Mayor as provided above.

Section 5.06 Continuing Disclosure Certificate. For the benefit of the holders and beneficial owners from time to time of the Series 2012 Bonds, the City agrees, in accordance with and as the only obligated person with respect to the Series 2012 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 certificate, 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 certificate (the "Continuing Disclosure Certificate"), 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 Certificate, for and on behalf of the City by the Mayor, shall be deemed conclusive evidence of the City's approval of the Continuing Disclosure Certificate. The agreement formed, collectively, by this paragraph and the Continuing Disclosure Certificate, shall be the City's continuing disclosure undertaking 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 Certificate shall not constitute a default under the Bond Ordinance and the remedies therefor shall be solely as provided in the Continuing Disclosure Certificate.

Section 5.07 Refunded Bonds Called for Redemption. Upon the issuance of the Series 2012 Bonds and the deposit of a portion of the proceeds thereof with the Escrow Agent for the Refunded Bonds, the Refunded Bonds are to be redeemed. Notice of such redemption shall be given in the manner provided in the Original Ordinance. The paying agent for the Refunded Bonds is hereby directed to provide written notice of such redemption to the registered owners of the

RESOLUTION 12-R59

Refunded Bonds and to any Bondholder whose name and address are on file with the paying agent for the Refunded Bonds.

Section 5.08 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 2012 Bonds, and any and all instruments, documents, or certificates, including but not limited to the Purchase Contract, the Bond Registrar and Paying Agent Agreement, the Official Statement, the Letter of Representations, a tax compliance certificate, a Continuing Disclosure Certificate and any other such documents or certificates which are necessary or desirable in connection with the issuance and delivery of the Series 2012 Bonds.

Section 5.09 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Series 2012 Bond Resolution should be held to be contrary to any express provision of law or to be contrary to the policy of express law, though not expressly prohibited, or to be against public policy, or should for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements, or provisions of, and in no way affect the validity of, all the other provisions of the Bond Ordinance, this Series 2012 Bond Resolution, or the Series 2012 Bonds.

Section 5.10 Repealing Clause. All resolutions of the City in conflict with the provisions of this Series 2012 Bond Resolution are, but only to the extent of such conflict, hereby superseded and repealed.

Section 5.11 Effective Date. This Series 2012 Bond Resolution shall become effective immediately upon its adoption.

Passed and Adopted by the City Council of the City of Port St. Lucie, Florida, this 29th day of May, 2012.

CITY OF PORT ST. LUCIE, FLORIDA

(SEAL)

By: _____
JoAnn M. Faiella, Mayor

ATTEST:

By: _____
Karen A. Phillips, City Clerk

APPROVED AS TO FORM AND
CORRECTNESS:

Roger G. Orr, City Attorney

EXHIBIT A

FORM OF BOND

No. R-

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UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF PORT ST. LUCIE
UTILITY SYSTEM REFUNDING REVENUE BOND
SERIES 2012

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Date of Issue</u>	<u>Cusip</u>
%	September 1, _____	_____, 2012	735352

Registered
Owner: Cede & Co.

Principal Amount: Dollars

KNOW ALL MEN BY THESE PRESENTS, that the City of Port St. Lucie, Florida (the "City"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, on the Maturity Date specified above, the Principal Amount shown above, upon presentation and surrender hereof at the corporate trust office of [U. S. Bank National Association, Orlando,] Florida, as Registrar and Paying Agent, and to pay solely from such funds, interest thereon from the date of this Bond or from the most recent Interest Payment Date to which interest has been paid, whichever is applicable, computed on the basis of a 360-day year, consisting of twelve 30-day months, until payment of such Principal Amount, at the Rate of Interest per annum set forth above, such interest to the maturity or prior redemption hereof being payable on March 1, _____, and thereafter on September 1 and March 1 each year by check or draft mailed on or before the Interest Payment Date, to the Registered Owner at his address as it appears, at 5:00 P.M. Eastern Time on the fifteenth day of the month preceding the applicable Interest Payment Date, on the Register of the City kept by the Registrar; provided, that for any Registered Owner of One Million Dollars (\$1,000,000) or more in principal amount of Series 2012 Bonds, such payment shall, at the written request of such Registered Owner, be by wire transfer or other medium acceptable to the City and to such Registered Owner. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an authorized issue of Bonds, originally issued in the aggregate principal amount of \$ _____, of like date, tenor and effect, except as to number, interest rate, and date of maturity, issued for the purpose of financing the cost of (i) refunding on an advanced basis that portion of the City's Outstanding Utility System Revenue Bonds, Series 2003, maturing in the years _____, and that portion of the City's Outstanding Utility System Revenue Bonds, Series 2004, maturing in the years _____ and _____, (ii) funding the purchase of a Surety Bond or a deposit to the Reserve Account in the amount of the increase in the

RESOLUTION 12-R59

Reserve Account Requirement resulting from the issuance of the Series 2012 Bonds, and (ii) paying certain expenses related to the issuance and sale of the Series 2012 Bonds, and all purposes incidental thereto, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes, and other applicable provisions of law (the "Act"), and Ordinance 94-29, enacted by the Council on June 27, 1994, as amended and supplemented (the "Original Ordinance"), particularly as supplemented by Ordinance 12-26, duly enacted on May 29, 2012, and by Resolution 12-R59, adopted on May 29, 2012 (collectively, the "Series 2012 Bond Ordinance" and together with the Original Ordinance the "Bond Ordinance"), and is subject to all the terms and conditions of the Bond Ordinance. Capitalized terms used herein shall have the meaning specified in the Bond Ordinance.

The Series 2012 Bonds are limited, special obligations of the City, payable from and secured solely by a lien upon and pledge of the Net Revenues to be derived from the operation of the City's water and sewer utility system (the "System") and certain Capital Facilities Charges, all in the manner provided in and subject to the terms and conditions of the Bond Ordinance (herein referred to collectively, as the "Pledged Revenues"). The Series 2012 Bonds are secured on a parity as to the Pledged Revenues with the City's Outstanding (a) Utility System Revenue Bonds, Series 2001, dated June 1, 2001 and June 7, 2001, (b) Utility System Revenue Bonds, Series 2003, dated May 1, 2003, remaining Outstanding after the issuance of the Series 2012 Bonds, (c) Utility System Revenue Bonds, Series 2004, dated May 13, 2004, remaining Outstanding after the issuance of the Series 2012 Bonds, (d) Utility System Refunding Revenue Bonds, Series 2004A, dated September 30, 2004, (e) Utility System Revenue Bonds, Series 2006, dated July 7, 2006, (f) Utility System Refunding Revenue Bonds Series 2006A, dated December 14, 2006, (g) Utility System Refunding and Improvement Revenue Bonds, Series 2007, dated September 18, 2007, and (h) Utility System Refunding Revenue Bonds, Series 2009, dated June 4, 2009 (collectively, the "Outstanding Parity Bonds"). The Series 2012 Bonds do not constitute a general obligation or indebtedness of the City, and it is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the City, or the taxation of any property of or in the City, for the payment of the principal of and interest on this Bond or for the making of any sinking fund, reserve or other payments provided for in the Bond Ordinance.

It is further agreed between the City and the Registered Owner of this Bond, that this Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any part thereof, or on any other property of or in the City, but shall constitute a lien only on the Pledged Revenues, in the manner provided in the Bond Ordinance.

The City has entered into certain covenants with the Registered Owners of the Series 2012 Bonds for the terms of which reference is made to the Bond Ordinance. In particular, the City has reserved the right to issue additional obligations payable from and secured by a lien upon and pledge of the Pledged Revenues on a parity with the Series 2012 Bonds and the Outstanding Parity Bonds, upon compliance with certain conditions set forth in the Bond Ordinance. The City has also reserved the right to defease the lien of the Series 2012 Bonds upon the Pledged Revenues upon making provision for payment of the Series 2012 Bonds as provided in the Bond Ordinance.

RESOLUTION 12-R59

[INSERT REDEMPTION PROVISIONS]

This Bond is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and the Registered Owner and each successive Registered Owner of this Bond, shall be conclusively deemed by his acceptance hereof to have agreed that this Bond shall be and have all the qualities and incidents of negotiable instruments under the laws of the State of Florida.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Series 2012 Bonds of which this Bond is one, does not violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Registrar.

IN WITNESS WHEREOF, the City of Port St. Lucie, Florida has issued this Bond and has caused the same to be executed by the Mayor or Vice-Mayor of the City, either manually or with his facsimile signature, and the corporate seal of said City, or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, and the foregoing attested by the manual or facsimile signature of the Clerk or Deputy Clerk of the City, all as of the Date of Issue above.

CITY OF PORT ST. LUCIE, FLORIDA

(SEAL)

By: _____
Mayor

ATTEST:

Clerk

RESOLUTION 12-R59

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Bond Ordinance.

[U. S. BANK NATIONAL ASSOCIATION]
Bond Registrar

By: _____
Authorized Signatory

Date of Authentication: _____, 2012

RESOLUTION 12-R59

STATEMENT OF INSURANCE

[INSERT INSURANCE PROVISIONS, IF ANY]

RESOLUTION 12-R59

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	UNIF GIFT MIN ACT -	_____ Custodian	_____
TEN ENT	- as tenants by the entireties		(Cust)	(Minor)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____		(State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

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

(Please insert Social Security or other Identifying Number of Assignee)

the within Bond and does hereby irrevocably constitute and appoint the Bond Trustee as his agent to transfer the Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Authorized Officer:

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

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within note in every particular, without alteration or enlargement or change whatever.

BOND PURCHASE AGREEMENT

\$ _____
City of Port St. Lucie, Florida
Utility System Refunding Revenue Bonds
Series 2012

May __, 2012

Honorable Mayor and Members
of the City Council of
the City of Port St. Lucie, Florida

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC acting on its own behalf (the "Underwriter"), and not acting as fiduciary or agent for you, offers to enter into the following agreement (this "Agreement") with the City of Port St. Lucie, Florida (the "Issuer") which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and the Underwriter. This offer is made subject to the Issuer's written acceptance hereof on or before 11:59 p.m., Eastern Time, on _____, 2012, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Ordinance (as defined herein) or in the Official Statement (as defined herein).

The Issuer has heretofore authorized the above-described Utility System Refunding Revenue Bonds, Series 2012 (the "Bonds") pursuant to Ordinance 94-29, enacted by the City Council of the Issuer (the "City Council") on June 27, 1994, as amended and supplemented from time to time (the "Original Bond Ordinance"), Ordinance 12-__, enacted by the City Council on _____, 2012 (the "Series 2012 Ordinance") and Resolution 12-R-__ adopted by the City Council on _____, 2012 (the "Series 2012 Bond Resolution" and, together with the Original Bond Ordinance and the Series 2012 Ordinance, the "Bond Ordinance").

Section 1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Bonds. Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges, and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the Issuer and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction

contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own account, (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Underwriter has been duly authorized to execute this Agreement and to act hereunder.

The principal amount of the Bonds to be issued, the interest rates, the dated date therefor, the maturities, sinking fund and optional redemptions are set forth in Schedule II hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Bond Ordinance.

The purchase price for the Bonds shall be \$_____ (representing \$_____ par amount of the Bonds minus an underwriting discount of \$_____ plus (minus) a net original issue premium (discount) of \$_____).

Delivered to the Issuer herewith is a good faith deposit by wire transfer funds in the amount of \$_____. In the event you accept this offer, such monies shall be applied at the Closing (as defined herein) to the purchase price set forth in the preceding paragraph. In the event the Issuer does not accept this offer, such monies shall be immediately returned to the Underwriter by wire transfer. Should the Issuer fail to deliver the Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds, as set forth in this Agreement (unless waived by the Underwriter), or should such obligations of the Underwriter be terminated for any reason permitted by this Agreement, such monies shall be immediately returned to the Underwriter by wire transfer. In the event that the Underwriter fails (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such monies shall be retained by the Issuer as and for fully liquidated damages for such failure of the Underwriter, and, except as set forth in Sections 7 and 9 hereof, no party shall have any further rights against the other hereunder. The Underwriter and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriter hereby waives any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this offer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriter.

Section 2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement.

Section 3. The Official Statement.

(a) Attached hereto as Exhibit A is a copy of the Preliminary Official Statement dated _____, 2012 (the "Preliminary Official Statement"), including the cover page and Appendices thereto, of the Issuer relating to the Bonds. Such copy of the Preliminary Official Statement, as amended to reflect the changes marked or otherwise indicated on Exhibit A hereto, is hereinafter called the "Official Statement."

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The Issuer represents that the City Council has approved the content of the Preliminary Official Statement and Official Statement.

(c) The Issuer hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from "EMMA," the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System, with a portal at <http://emma.msrb.org>, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the

Issuer's own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing (as defined in Section 5), the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with EMMA. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

Section 4. Representations, Warranties, and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a municipality of the State, duly created, organized and existing under the laws of the State and has full legal right, power and authority under the laws of the State, and at the date of the Closing will have full legal right, power and authority under the Bond Ordinance (i) to enter into, execute and deliver this Agreement, the Bond Ordinance, the Escrow Deposit Agreement, and the Continuing Disclosure Agreement and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Bond Ordinance, and the other documents referred to in this clause are hereinafter referred to as the "Issuer Documents"), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption and/or enactment of the Bond Ordinance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Ordinance and this Agreement, will

constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Ordinance and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Ordinance will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Bond Resolution:

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption and/or enactment of the Bond Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds conform to the descriptions thereof contained in the Official Statement under the caption "DESCRIPTION OF THE SERIES 2012 BONDS"; the Pledged Revenues conform to the descriptions thereof contained in the Official Statement under the caption "SECURITY FOR THE SERIES 2012 BONDS"; and the Continuing Disclosure Certificate conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE."

(g) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer after due inquiry, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective

offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Pledged Revenues (as defined in the Bond Ordinance) or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or state income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance and not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or state income tax purposes of the interest on the Bonds;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such

qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding the Issuer, in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer. The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(n) Prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter; and

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

Section 5. Closing.

(a) At 11:00 a.m. eastern time, _____, 2012, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the "Closing"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by a wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of the Issuer, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds shall be made to The Depository Trust Company, New York, New York. The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Ordinance, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

Section 6. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) At the time of the Closing, (i) the Issuer Documents and any other documents deemed necessary in connection with the issuance of the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect prior to the Closing, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to in writing by the Issuer and the Underwriter, and the Issuer shall have duly adopted and executed and there shall be in full force and effect the Bond Ordinance and such additional resolutions, ordinances or agreements as shall, in the opinion of Roger G. Orr, Counsel to the Issuer, Squire Sanders (US) LLP. ("Bond Counsel"), GrayRobinson, P.A. ("Disclosure Counsel") and Kutak Rock LLP ("Counsel to the Underwriter"), be necessary in connection with the issuance of the Bonds, (ii) the representations and warranties of the Issuer herein shall be true and accurate in all material respects, (iii) the Issuer shall perform or have performed all obligations required under or specified in this Agreement to be performed at or prior to the Closing and (iv) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Disclosure Counsel to deliver their respective opinions referred to hereafter;

(b) At or prior to the Closing, the Underwriter shall have received the following documents:

(i) The approving opinion of Bond Counsel, dated the date of Closing substantially in the form appended to the Official Statement as Appendix D and a letter of such Bond Counsel, dated the date of Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the Issuer may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(ii) The supplemental opinion of Bond Counsel, dated the date of the Closing and addressed to the Underwriter to the effect that:

(A) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(B) the information contained in the Official Statement as of its date and as of the Closing Date under the captions “DESCRIPTION OF THE SERIES 2012 BONDS” (other than the information thereunder relating to DTC and DTC’s book-entry only system), “SECURITY FOR THE SERIES 2012 BONDS”, “APPENDIX C—COMPOSITE BOND ORDINANCE” and “APPENDIX D—FORM OF BOND COUNSEL OPINION” to the extent such information purports to summarize portions of the Bond Ordinance, the Bonds, or the law referred to therein are accurate;

(iii) A certificate or certificates, dated the date of Closing, signed by the Mayor and the City Manager, in form and substance satisfactory to Bond Counsel, the Underwriter and Counsel to the Underwriter, in which such officials, to the best of their knowledge, state:

(A) that the representations and warranties of the Issuer herein contained are true and correct in all material respects as of the Closing, that the Issuer has satisfied all conditions on their part to be performed or satisfied hereunder at or prior to the Closing, and that the information and statements contained in the Official Statement are true, correct and complete in all material respects for the purposes for which such Official Statement is to be used, and nothing has come to their attention that would lead them to believe that such information in the Official Statement includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that such certification shall not include the information concerning DTC and DTC’s book-entry only system contained in the Official Statement [and the information contained in the section of the Official Statement entitled “BOND INSURANCE”];

(B) that no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect;

(C) that the financial statements and the other financial and statistical data relating to the Issuer included in the Official Statement are true and correct as of the date of such information included in the Official Statement;

(D) that since the date of the financial statements included in the Official Statement, (1) no material adverse change has occurred in the financial condition of the Issuer and (2) the Issuer has not incurred any material liabilities other than in the ordinary course of business, except as set forth in or contemplated by the Official Statement; and

(E) that no obligations issued or guaranteed by the Issuer are in default as to payment of principal or interest or have been in default as to payment of principal or interest at any time after December 31, 1975 except with respect to conduit issues for which the Issuer has no repayment obligation as to which no representation is made.

(iv) An opinion, dated the date of Closing, of Roger G. Orr, Counsel to the Issuer, addressed to the Issuer and the Underwriter, in form and substance satisfactory to the Underwriter and Counsel to the Underwriter, to the effect that:

(A) the Issuer is a duly existing municipal corporation of the State, and has good right and lawful authority within the Constitution and laws of the State to enact and/or adopt the Bond Ordinance, to pledge the Pledged Revenues as described in the Bond Ordinance, and to authorize and issue the Bonds; the execution, delivery and due performance of this Agreement was duly authorized by the Issuer; and the Issuer Documents have been duly enacted or adopted by the Issuer, are in full force and effect and constitute the valid, legal and binding obligations of the Issuer, enforceable in accordance with their terms; and under the laws of the State, the holders of the Bonds are not precluded pursuant to any sovereign immunity laws or similar laws from bringing proceedings to enforce the obligations imposed by the Bond Ordinance;

(B) except as disclosed in the Official Statement, to the best of his knowledge after due inquiry with respect thereto, no litigation or other proceedings are pending or threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way (1) restraining or enjoining the issuance, sale or delivery of any of the Bonds; or (2) questioning or affecting the validity of the Issuer Documents, the Bonds or any of the Pledged Revenues; or (3) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, registration, issuance or delivery of the Bonds and the security therefor; or (4) questioning or affecting the organization or existence of the Issuer, or the City Council or the title to office of the officers thereof, or (5) which could materially adversely affect the operations of the Issuer or the financial condition of the Issuer;

(C) the Official Statement, as of the date of such document and at all subsequent times up to and including the date of Closing, as to the information therein (1) describing the ordinances, resolutions and agreements of the Issuer relating to the Pledged Revenues and the collection thereof, (2) describing statutory provisions of the State of Florida, and (3) under the caption "LEGAL MATTERS," did not and does not contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make such information not misleading; as of the date of Closing, the Issuer has duly performed all

obligations to be performed by it as of such date pursuant to the Bond Ordinance;

(D) the enactment and/or adoption of the Bond Ordinance and the execution and delivery of the Issuer Documents, and the Bonds and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any existing law, administrative regulation or court decree to which the Issuer is subject, and the Issuer has the power and authority under the laws of the State to pledge the Pledged Revenues pursuant to the Bond Ordinance to pay the Bonds and interest thereon, in accordance with the terms thereof;

(E) all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained and are in full force and effect; and

(F) the Official Statement has been duly authorized, executed and delivered for use in connection with the sale of the Bonds.

(v) An opinion of Disclosure Counsel dated the date of the Closing and addressed to the Underwriter and to the Issuer, to the effect that based upon participation in the preparation of the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, as of the date of the Closing nothing has come to the attention of Disclosure Counsel causing them to believe that (A) the Official Statement as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the financial and statistical information contained in the Official Statement and information in the Official Statement relating to DTC, the DTC Book-Entry Only system and the financial guaranty insurance policy, as to all of which no view need be expressed), or (B) the Official Statement as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except as aforesaid).

(vi) The written consent of DiBartolomeo, McBee, Hartley & Barnes, P.A. (the "Independent Certified Public Accountants") to the use of their report in the Preliminary Official Statement and the Official Statement in "Appendix B—Excerpts of Audited Financial Statements of the City of Port St. Lucie, Florida, for Fiscal Year Ended September 30, 2011," and the reference to their name therein.

(vii) [A copy of the Financial Guaranty Insurance Policy from Assured Guaranty insuring the payment of principal of and interest on the Bonds when due.]

(viii) Evidence satisfactory to the Underwriter that the Bonds have been rated [] (Insured) by Standard & Poor's Rating Services and [] (Insured) and [] (Underlying) by Moody's and that all such ratings are in effect as of the date of Closing.

(ix) A verification report regarding the refunding of the Refunded Bonds by [Causey, Demgen & Moore] in a form acceptable to the Underwriter and Bond Counsel.

(x) Evidence that the satisfaction the Reserve Account Requirement of the Bond Ordinance has been satisfied.

(xi) A certificate of the trustee with respect to the Refunded Bonds to the effect that moneys or Government Securities sufficient to effectuate the refunding of the Refunded Bonds have been received and that such moneys or Government Securities have been deposited in an escrow fund under the Escrow Deposit Agreement.

(xii) Such opinions of counsel as are required in connection with the refunding of the Refunded Bonds, an opinion of Bond Counsel to the effect that such advance refunding will not have an adverse impact on the federal tax-exempt status of interest on the Refunded Bonds.

(xiii) An executed copy of the Issuer Documents.

(xiv) Such additional certificates, instruments or opinions as Counsel to the Issuer, Bond Counsel, Disclosure Counsel or the Underwriter and its counsel may deem necessary or desirable.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Sections 4, 7 and 9(c) hereof shall continue in full force and effect.

Section 7. Indemnification.

(a) Without waiving the protection of sovereign immunity provided by law, the Issuer will indemnify and hold harmless the Underwriter against any losses, claims, damages or liabilities to which the Underwriter may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged

untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Underwriter for any legal or other expenses reasonably incurred by the Underwriter in connection with investigating or defending any such action or claim; provided, however, that the Issuer shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or the Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuer by the Underwriter expressly for use therein.

(b) The Underwriter will, to the extent permitted by law, indemnify and hold harmless the Issuer against any losses, claims, damages or liabilities to which the Issuer may become subject, under federal securities laws, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or omission or alleged omission was made in the Preliminary Official Statement or the Official Statement or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Issuer by the Underwriter expressly for use therein; and will reimburse the Issuer for any legal or other expenses reasonably incurred by the Issuer in connection with investigating or defending any such action or claim.

(c) Promptly after receipt by an indemnified party pursuant to subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party or shall otherwise have an actual or potential conflict in such representation), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses or other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Issuer on the one hand and the Underwriter on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Issuer bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer on the one hand or the Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct and to prevent such statement or omission. The Issuer and the Underwriter agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Bonds were offered to the public exceeds the amount of any damages which the Underwriter have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged untrue statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Issuer under this Section shall be in addition to any liability which the Issuer may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriter within the meaning of the 1933 Act. The indemnity and contribution agreements contained in this Section and the representations and warranties of the Issuer contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Underwriter or any person controlling

the Underwriter or by or on behalf of the Issuer, its officers or directors or any other person controlling the Issuer and (iii) acceptance of and payment for any of the Bonds.

Section 8. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or state income taxation upon revenues or other income of the general character to be derived by the Issuer pursuant to the Bond Ordinance or the Bond Ordinance, or upon interest received on obligations of the general character of the Bonds, the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or state income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national

securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon);

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended or potential review, downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Issuer's obligations or any rating of the Insurer;

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; and

(m) the debt ceiling of the United States is such that the Government Securities required to fund the Escrow Deposit Agreement are not available for delivery on the date of the delivery of the Bonds.

Section 9. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel and Counsel to the Issuer; (iii) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (iv) the fees for bond ratings and credit enhancement fees or premiums, if any; and (v) customary costs associated with the issuance and delivery of the Bonds. The Issuer shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriters which are incidental to implementing this Bond Purchase Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs. The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(b) The Underwriter shall pay (i) the cost of preparation and printing of this Agreement, any Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriter.

(c) If this Agreement shall be terminated by the Underwriter because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriter for all out-of-pocket expenses (including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

Section 10. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to the City Manager of the City of Port St. Lucie, Florida at 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984, and any such notice or other communication to be given to the Underwriter may be mailed to RBC Capital Markets, LLC, 1200 17th Street, Suite 2150, Denver, CO 80202, Attention: Nate Eckloff, Managing Director.

Section 11. Parties in Interest. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

Section 12. Truth-In-Bonding Statement. The Bonds are expected to be repaid over a period of ____ years. The Bonds will bear interest at the interest rates described in Schedule II which result in True Interest Cost of ____ %, total interest paid over the life of the Bonds will be \$ _____. As described in the Official Statement, the source of repayment or security for the Bonds is the Pledged Revenues (as defined in the Official Statement.) Authorizing the Bonds will result in a maximum of \$ _____ of the Issuer's Pledged Revenues that are unavailable to finance other services of the Issuer each year over the ____ year period the Bonds are expected to be outstanding.

It shall be a condition to the obligation of the Issuer to sell and deliver the Bonds to the Underwriter, and the obligations of the Underwriter to purchase and accept delivery of the Bonds, that the entire aggregate principal amount of the Bonds shall be sold and delivered by the Issuer and paid for by the Underwriter at the Closing.

Section 13. Effectiveness. This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

Section 14. Choice of Law. This Agreement shall be governed by and construed in accordance with the law of the State.

Section 15. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

Section 16. Business Day. For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

Section 17. Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

Section 18. Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

RBC CAPITAL MARKETS, LLC

By _____
Nate Eckloff, Managing Director

Accepted _____, 2012
at _____ m.

CITY OF PORT ST. LUCIE, FLORIDA

By _____
Assistant City Manager

[Signature page to Bond Purchase Agreement]

EXHIBIT A
PRELIMINARY OFFICIAL STATEMENT

EXHIBIT B
FORM OF DISCLOSURE LETTER PURSUANT TO
SECTION 218.385, FLORIDA STATUTES

May __, 2012

Honorable Mayor and Members
of the City Council of the
City of Port St. Lucie, Florida

\$ _____
City of Port St. Lucie, Florida
Utility System Refunding Revenue Bonds
Series 2012

Ladies and Gentlemen:

In connection with the proposed issuance by the City of Port St. Lucie, Florida (the “Issuer”) of \$ _____ in aggregate principal amount of its Bonds referred to above (the “Bonds”), RBC Capital Markets, LLC (the “Underwriter”), is preparing to underwrite a public offering of the Bonds. Arrangements for the underwriting of the Bonds will include a Bond Purchase Agreement (the “Agreement”) between the Issuer, and the Underwriter that will embody the negotiations in respect thereof.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385, Florida Statutes, as amended, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

(a) The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the purchase and offering of the Bonds are set forth in Schedule I attached hereto.

(b) There are no “finders,” as defined in Section 218.386, Florida Statutes, as amended, connected with the issuance of the Bonds.

(c) Subject to the outcome of negotiations of the terms of the Agreement and to the successful sale by the Underwriter of all the Bonds at the initial public offering price, it is our expectation that based on current market conditions, the underwriting spread (i.e., the difference between the price at which the Bonds will be initially offered to the public by the Underwriter and the price to be paid to the Issuer for the Bonds

exclusive of original issue discount and accrued interest in both cases) will be \$_____ per \$1000 par value of the principal amount of the Bonds.

(d) Based on and as part of the estimated underwriting spread set forth in paragraph (c) above, the Underwriter will charge a management fee/underwriter's risk of _____% of the principal amount of the Bonds.

(e) There is no other fee, bonus or other compensation to be paid by the Underwriter in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriter, except as specifically enumerated as expenses referred to in paragraph (a) above to be incurred by the Underwriter as set forth in Schedule I attached hereto.

(f) The name of the Underwriter is:

RBC CAPITAL MARKETS, LLC
1200 17th Street, Suite 2150
Denver, CO 80202
Attention: Nate Eckloff, Managing Director

We understand that you do not require any further disclosure from the Underwriter pursuant to Section 218.385, Florida Statutes, as amended.

Very truly yours,

RBC CAPITAL MARKETS, LLC

By _____
Nate Eckloff, Managing Director

[Signature page to Bond Purchase Agreement]

SCHEDULE I

ESTIMATED EXPENSES
(based on \$ _____] issue size)

ITEM	TOTAL
Underwriter's Counsel-Kutak Rock LLP	
BMA	
CUSIP	
TELECOM/COURIER	
DTC	
Transaction-Related Travel	
Miscellaneous	
Total	

SCHEDULE II
FINAL PRICING NUMBERS