

RESOLUTION 12-R108

A RESOLUTION SUPPLEMENTING ORDINANCE 12-60 OF THE CITY OF PORT ST. LUCIE, FLORIDA, ENACTED ON OCTOBER 22, 2012, WHICH AUTHORIZED THE ISSUANCE OF SPECIAL ASSESSMENT REFUNDING BONDS, SERIES 2012A (TESORO SPECIAL ASSESSMENT DISTRICT), IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$16,500,000; AUTHORIZING THE REFUNDING OF THE CITY'S OUTSTANDING SPECIAL ASSESSMENT BONDS, TAX-EXEMPT SERIES 2003B (TESORO SPECIAL ASSESSMENT DISTRICT - INSTALLMENT PAYMENT ASSESSMENT SECURED), PROVIDING FOR THE SALE OF THE BONDS AT NEGOTIATED SALE; AUTHORIZING THE CITY MANAGER TO DETERMINE DETAILS OF THE BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE BONDS; APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF THE BONDS AND OF CERTIFICATES AND OTHER DOCUMENTS NECESSARY TO THE DELIVERY OF THE BONDS; ESTABLISHING THE BOOK-ENTRY SYSTEM PROVISIONS FOR THE BONDS; AUTHORIZING THE ACQUISITION OF A MUNICIPAL BOND INSURANCE POLICY AND DEBT SERVICE RESERVE FUND SURETY BOND IF DETERMINED BY THE CITY MANAGER TO BEING THE BEST INTEREST OF THE CITY; APPOINTING A BOND REGISTRAR AND PAYING AGENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND REGISTRAR AND PAYING AGENT AGREEMENT; APPOINTING AN ESCROW AGENT; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF THE BONDS; AUTHORIZING THE TAKING OF ALL OTHER ACTION AND THE EXECUTION OF ALL OTHER AGREEMENTS AND DOCUMENTS NECESSARY TO THE DELIVERY OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. Authority. This resolution is adopted pursuant to the provisions of the Act, the Master Ordinance, and the Series Ordinance and is the "Tesoro Supplemental Bond Resolution".

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

"Act" means Chapter 166, Florida Statutes, and other applicable provisions of law.

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“Agreement Regarding Bond Insurance” means, with respect to the Tesoro Assessment Refunding Bonds, the agreement regarding bond insurance between the City and the Bond 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 Bond Purchase Agreement, setting forth the final details of the Tesoro Assessment Refunding Bonds and certifying compliance with the conditions for award set forth in Section 12 of this Resolution.

“Bond Insurer” means with respect to the Tesoro Assessment Refunding Bonds, the Credit Facility Issuer, if any, with respect to the Policy issued for the Tesoro Assessment Refunding Bonds, if any and any successor thereto.

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

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

“Bond Registrar” means with respect to the Tesoro Assessment Refunding Bonds, U.S. Bank, National Association, Orlando, Florida, and its successors.

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

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

“Commitments” means the commitment for a Credit Facility and the Reserve Account Credit Facility issued by the Bond Insurer to the City, if any.

“Credit Facility Issuer” means, with respect to the Tesoro Assessment Refunding Bonds, the Bond Issuer.

“DTC” means the Depository Trust Company, New York, New York, as Depository for the Tesoro Assessment Refunding Bonds.

“Escrow Agent” means U.S. Bank, National Association, Orlando, Florida, or any other bank or trust company, which may be located within or without the State, holding a portion of the proceeds of the sale of the Tesoro Assessment Refunding Bonds in trust pursuant to the

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provisions of the Escrow Deposit Agreement, to be applied to pay the principal and interest on the Refunded Bonds.

“Escrow Deposit Agreement” means, with respect to the Refunded Bonds, the agreement by and between the City and the Escrow Agent, which agreement shall provide for the holding in trust of moneys and Federal Securities sufficient to pay the principal of and interest on the Refunded Bonds as they become due until the first date on which the Refunded Bonds may be called, and shall be in substantially the form on file with the City Clerk, with such changes, additions, deletions 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 Mayor’s execution thereof.

“Letter of Representations” means the letter agreement among the City, the Registrar, and DTC with respect to DTC’s serving as Depository and other matters.

“Master Ordinance” means Ordinance 00-59, duly enacted by the Council on July 10, 2000, together with any amendments thereto.

“Policy” means, with respect to the Tesoro Assessment Refunding Bonds, the municipal bond insurance policy issued by the Bond Insurer, if any, pursuant to the Commitment relating to the Tesoro Assessment Refunding Bonds.

“Refunded Bonds” means all of the City’s outstanding \$31,245,000 original aggregate principal amount of Special Assessment Bonds, Tax-Exempt Series 2003B (Tesoro Special Assessment District – Installment Payment Assessment Secured), \$14,550,000 of which is currently outstanding.

“Series Ordinance” means Ordinance 12-60 duly enacted by the Council on October 22, 2012.

“Surety Bond” means, with respect to the Tesoro Assessment Refunding Bonds, the debt service reserve surety bond issued by the Bond Insurer, if any, pursuant to a Commitment issued in order to satisfy the Reserve Account Requirement resulting from the issuance of the Tesoro Assessment Refunding Bonds; the Surety Bond shall constitute a Reserve Account Credit Facility, as provided in the Master Ordinance with respect to the Tesoro Assessment Refunding Bonds.

“Surety Bond Reimbursement Agreement” means, with respect to the Tesoro Assessment Refunding Bonds, if a Surety Bond is issued, the reimbursement agreement between the City and the Bond Insurer pursuant to which the City agrees to reimburse the Bond Insurer for any advances from the Surety Bond.

“Tesoro Assessment Refunding Bonds” means the City’s Special Assessment Refunding Bonds, Series 2012A (Tesoro Special Assessment District), issued pursuant to the Bond Ordinance.

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“Tesoro Investment Earnings” means the earnings from the investment of moneys in the Tesoro Subaccounts.

“Tesoro Pledged Revenues” means collectively, the Tesoro Special Assessments, the moneys on deposit in the Tesoro Subaccounts, and the Tesoro Investment Earnings.

“Tesoro Project” means the acquisition and construction of additions, extensions and improvement of roadways, telecommunications, stormwater attenuation drainage facilities, potable water transmission, sanitary wastewater transmission, re-use irrigation water transmission and public safety facilities within and without an area designated as the Tesoro Special Assessment District, as more particularly described in the Series Ordinance.

“Tesoro SAD” means the Tesoro Special Assessment District as more particularly described in the Tesoro Special Assessment Resolutions.

“Tesoro Special Assessment Resolutions” means collectively, Resolution 03-R14, duly adopted by the Council on February 18, 2003, as amended by Resolution 03-R29, duly adopted by the Council on March 24, 2003, providing for the levying and collection of the Tesoro Special Assessments therein.

“Tesoro Special Assessments” means the Special Assessments levied against the properties located within Tesoro SAD pursuant to the Tesoro Special Assessment Resolutions.

“Tesoro Subaccounts” means the separate accounts established and maintained in the funds and accounts established pursuant to the Master Ordinance for the benefit of the Owners of the Tesoro Assessment Refunding Bonds.

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

“Underwriter” means RBC Capital Markets LLC.

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

A. The Series Ordinance authorized the issuance of not exceeding \$16,500,000 in principal amount of Tesoro Assessment Refunding Bonds, in one or more series, to (i) refund all of the Refunded Bonds, (ii) fund a deposit or pay the cost of the Surety Bond for deposit to the subaccount of the Reserve Account, and (iii) pay certain expenses related to the issuance and sale of the Tesoro Assessment Refunding Bonds.

B. A negotiated sale of the Tesoro Assessment Refunding Bonds is in the best interest of the health, safety and welfare of the City and its residents and is found to be necessary for the following reasons, as to which the following specific finding is hereby made: (1) the sensitivity of interest rates has increased the risk of sale upon advertisement, and it is more likely that the City will achieve better market timing and therefore, a lower interest rate by sale through negotiation and thereby increase savings; and (2) the complex nature of the underlying security for the Tesoro Assessment Refunding Bonds makes it desirable that a pre-marketing of the

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Tesoro Assessment Refunding Bonds be conducted, and this can more successfully be accomplished by using an underwriter and a negotiated sale process.

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

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

E. It is necessary and desirable and in the best interests of the City to enter into the Escrow Deposit Agreement.

Section 4. Description of Tesoro Assessment Refunding Bonds. The Tesoro Assessment Refunding Bonds shall be numbered, shall be dated, shall bear interest at the rates, payable on the dates, shall mature as to principal on the dates and in the amounts, shall be subject to redemption prior to maturity, all as set forth in the Bond Purchase Agreement, subject to the parameters set forth in Section 12 below. The Tesoro Assessment Refunding Bonds shall be designated as "City of Port St. Lucie, Florida Special Assessment Refunding Bonds, Series 2012A (Tesoro Special Assessment District)".

Section 5. Application of Tesoro Pledged Revenues. The Tesoro Pledged Revenues shall be collected, received, and applied only in the following manner and order of priority.

A. Tesoro Special Assessments. Tesoro Special Assessments, as received, shall be deposited into the Tesoro Subaccounts in the Sinking Fund as follows:

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

2. Second, into the Tesoro Assessment Bonds Bond Amortization Subaccount to the extent necessary to pay any Amortization Installments coming due in the current Bond Year;

3. Third, into the Tesoro Assessment Bonds Reserve Subaccount to the extent of any deficiency therein; and

4. Fourth, into the Tesoro Assessment Bonds Redemption Account to the extent of any remaining moneys.

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

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

2. Second, into the Tesoro Assessment Bonds Bond Amortization Subaccount to supplement the Tesoro Special Assessments to the extent necessary to pay Amortization Installments coming due in the current Bond Year;

3. Third, into the Tesoro Assessment Bonds Reserve Subaccount to the extent of any deficiency therein; and

4. Fourth, into the Tesoro Assessment Bonds Redemption Account to the extent of any remaining moneys.

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

1. *Debt Service Subaccount*. Moneys on deposit in the Tesoro Bonds Debt Service Subaccount shall be applied:

(a) First, to pay the interest on the Tesoro Assessment Refunding Bonds coming due during such Bond Year; and

(b) Second, to pay the principal of the Tesoro Assessment Refunding Bonds maturing in such Bond Year.

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

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

4. *Redemption Account*. Moneys on deposit in the Tesoro Assessment Bonds Redemption Account shall be used to redeem or purchase prior to maturity Tesoro Assessment Refunding Bonds in such manner as is provided herein and in the Bond Purchase Agreement; provided, that moneys on deposit in the Tesoro Assessment

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Refunding Bonds Redemption Account may also be used to supplement the Reserve Subaccount to the extent necessary to pay the Debt Service Requirement on the Tesoro Assessment Refunding Bonds.

Section 6. Covenants of the City. For so long as any of the Tesoro Assessment Refunding Bonds and the interest thereon shall be outstanding and unpaid, or until the Tesoro Assessment Refunding Bonds shall have been defeased in accordance with the provisions of Section 6.04 of the Master Ordinance, the City covenants with the Registered Owners of the Tesoro Assessment Refunding Bonds as follows:

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

B. Covenant to Budget and Appropriate. The City will, in each year, before drawing moneys from the Tesoro Assessment Bonds Reserve Subaccount or upon the Surety Bond, if any, budget and appropriate from Non-Ad Valorem Revenues received in such Fiscal Year and deposit into the Tesoro Debt Service Subaccount amounts necessary (1) to supplement the Tesoro Pledged Revenues to pay the Debt Service Requirement on the Tesoro Assessment Refunding Bonds in each Fiscal Year and (2) to pay any amounts due under the Surety Bond Reimbursement Agreement, if any.

This covenant and agreement on the part of the City to budget, appropriate and apply Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until Non-Ad Valorem Revenues in amounts sufficient to make the required deposits shall have been budgeted, appropriated and so applied.

This covenant to budget and appropriate does not create any lien upon or pledge of the Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it give the Registered Owners a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. This covenant to budget and appropriate Non-Ad Valorem Revenues, is subject in all respects to the payment of direct obligations secured by a pledge of all or any specified portion of Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments) subject to the limitations set forth in Subsection (D) below; provided, however, this covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of (1) making available for the payment of the Tesoro Assessment Refunding Bonds, in the manner described herein, Non-Ad Valorem Revenues and (2) placing on the City a positive duty to budget and appropriate, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Section 166.241, Florida Statutes, which provides that the governing body of each municipality make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be

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received from taxation or other revenue sources; and subject, further, to payments which are legally mandated by applicable law.

Notwithstanding any provision of this resolution to the contrary, the obligations of the City hereunder shall not be construed as a limitation on the ability of the City to pledge or covenant to pledge or use all or any portion of the Non-Ad Valorem Revenues for other legally permissible purposes; provided that Non-Ad Valorem Revenues shall be available as required hereunder. The obligation of the City to make such payments from its Non-Ad Valorem Revenues is subject to the availability of money in the treasury of the City and funding requirements for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by law; however, such obligation is cumulative and would carry over from Fiscal Year to Fiscal Year.

C. No Additional Bonds. The City will not grant or permit the creation of any other encumbrance, lien, or charge against the Tesoro Pledged Revenues prior to or on a parity with the lien thereon of the Tesoro Assessment Refunding Bonds; provided, however, additional special assessment districts may be created which encompasses all or a portion of the property located within the Tesoro SAD.

Section 7. 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 8. Book-Entry System. The Tesoro Assessment Refunding Bonds shall be issued in book-entry only form. The City Manager is authorized to execute and deliver on behalf of the City the Letter of Representations in the form furnished by DTC, and to make such other provision and perform such further acts as are necessary to provide for the issuance of the Tesoro Assessment Refunding Bonds in book-entry only form. The Tesoro Assessment Refunding Bonds shall be registered to Cede, as nominee for DTC, and immobilized in the custody of DTC.

While the Tesoro Assessment Refunding Bonds are maintained through DTC's book-entry only system, all payments for the principal of, and interest and redemption premium, if any, on, the Tesoro Assessment Refunding Bonds shall be paid by check, draft or wire transfer by the Bond Registrar to Cede, without prior presentation or surrender of any Tesoro Assessment Refunding Bonds (except for final payment thereof); and such payment to Cede shall constitute payment thereof pursuant to, and for all purposes of, the Bond Ordinance.

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

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(a) DTC determines not to continue to act as securities depository for the Tesoro Assessment Refunding Bonds; or

(b) the City has advised DTC of its determination that DTC is incapable of discharging its duties; or

(c) the City determines that it is in the best interest of the City not to continue the book-entry system or that the interests of the beneficial owners of the Tesoro Assessment Refunding Bonds might be adversely affected if the book-entry system is continued.

Upon occurrence of the events described in (a) or (b) above, the City shall attempt to locate another qualified securities depository, and shall notify beneficial owners of the Tesoro Assessment Refunding 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 Tesoro Assessment Refunding Bonds in certificated form to the beneficial owners of the Tesoro Assessment Refunding 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 Tesoro Assessment Refunding Bonds stating that DTC will no longer serve as securities depository, the procedures for obtaining such Tesoro Assessment Refunding Bonds in certificated form and the provisions which govern the Tesoro Assessment Refunding 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 9. Application of Tesoro Assessment Refunding Bonds Proceeds. All moneys received from the sale of the Tesoro Assessment Refunding Bonds shall be applied by the City as follows:

A. An amount necessary to provide for the refunding and redemption in full of the Refunded Bonds shall be paid to the Escrow Agent for the Refunded Bonds and held in trust solely for the benefit of the holders of the Refunded Bonds pursuant to the Escrow Deposit Agreement and applied to the payment of the principal and interest on the Refunded Bonds through the date set for redemption.

B. To the extent not satisfied by deposit of a Surety Bond, an amount equal to the Reserve Account Requirement shall be deposited to the Tesoro Assessment Reserve Subaccount.

C. To the extent not paid or reimbursed therefore by the Underwriter, the City shall pay all costs and expenses in connection with the preparation, issuance and sale of the Tesoro Assessment Refunding Bonds.

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Section 10. Preliminary Official Statement; Official Statement. The printing and use of a Preliminary Official Statement in connection with the marketing of the Tesoro Assessment Refunding 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 Tesoro Assessment Refunding 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 11. Credit Facility and Surety Bond.

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

B. Policy and Payment. If the City Manager accepts the commitment for a Credit Facility, there shall be printed on each Tesoro Assessment Refunding Bond a statement to the effect that payment of the principal of and interest thereon is insured by the Bond Insurer under such Credit Facility and if the City Manager accepts the commitment for a Surety Bond, 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 such commitment(s) upon the delivery of the Policy and/or the Surety Bond, as applicable.

C. Agreements. The Council hereby authorizes the City Manager to secure the Policy and the Surety Bond, if determined to be in the best interest of the City with respect to the Tesoro Assessment Refunding Bonds and to enter into such agreements as may be necessary to secure the Policy and the Surety Bond, including but not limited to the Agreement Regarding Bond Insurance and the Surety Bond Reimbursement Agreement, with the City Manager's execution of any such agreements to be conclusive evidence of the City's approval thereof; provided, however, that any such agreements shall be in the form and substance satisfactory to the City Manager, Bond Counsel and the City Attorney. The provisions of any such agreements shall supersede any inconsistent provisions of the Bond Ordinance and/or this Tesoro Supplemental Bond Resolution and any default by the City under such agreements shall be deemed to be, and be treated the same as, a covenant default under the Bond Ordinance.

Section 12. Delegation of Authority to Determine Date of Sale and Details of Tesoro Assessment Refunding Bonds and to Execute Bond Purchase Agreement; Conditions to Exercise of Authority; Award Certificate. The City Manager is hereby, subject

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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 Tesoro Assessment Refunding Bonds, and to execute the Bond Purchase Agreement on behalf of the City and to deliver an executed copy thereof to the Underwriter. This delegation of authority is expressly made subject to the following conditions, the failure of any of which shall render the Bond Purchase Agreement voidable at the option of the City. The conditions to exercise the authority to execute the Bond Purchase Agreement are:

A. The Bond Purchase Agreement shall be executed on behalf of the City by the City Manager not later than December 31, 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 or premium) of the Tesoro Assessment Refunding Bonds to be sold shall not exceed \$16,500,000.

C. The true interest cost rate on the Tesoro Assessment Refunding Bonds shall not exceed three and one-half percent (3.50%) per annum.

D. The Tesoro Assessment Refunding Bonds will not be subject to redemption at the option of the City and if issued as Term Bonds, shall be subject to mandatory redemption by operation of the Tesoro Assessment Refunding Bonds Bond Amortization Account.

E. The Tesoro Assessment Refunding Bonds shall mature not later than January 1, 2023.

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

G. The purchase price for the Tesoro Assessment Refunding 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 or premium.

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

Section 13. Extraordinary Mandatory Redemption. The Tesoro Assessment Refunding Bonds shall be subject to extraordinary mandatory redemption at any time on any date, without premium, in ascending order of maturities and by lot within a maturity, at a redemption price equal to par plus accrued interest to the redemption date, from moneys on deposit in the Tesoro Assessment Redemption Account established by the Bond Ordinance from excess moneys on deposit in the Tesoro Assessment Bonds Debt Service Subaccount in the Sinking Fund, which may include moneys resulting from the prepayment of Tesoro Special

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Assessments and Tesoro Investment Earnings deposited or retained in the Tesoro Assessment Redemption Account.

Section 14. Continuing Disclosure Certificate. For the benefit of the holders and beneficial owners from time to time of the Tesoro Assessment Refunding Bonds, the City agrees, in accordance with and as the only obligated person with respect to the Tesoro Assessment Refunding 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 certificate 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 15. Escrow Agent and Escrow Deposit Agreement. U.S. Bank, National Association, Orlando, Florida is hereby designated Escrow Agent for the benefit of the Refunded Bonds, and shall perform such duties as are more fully described in the Escrow Deposit Agreement. 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 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 Escrow Deposit Agreement with such changes, insertions, omissions and such filling in of blanks as shall be approved by the Mayor as provided above.

Section 16. Refunded Bonds Called for Redemption. Upon the issuance of the Tesoro Assessment Refunding Bonds and the deposit of a portion of the proceeds thereof into the Escrow Account created pursuant to the Escrow Deposit Agreement, the Refunded Bonds are hereby called for redemption on such date as may be determined by the City Manager and as may be necessary in order to satisfy any notice or other applicable requirements. Notice of such redemption shall be given in the manner provided in the Bond Ordinance. The paying agent for the Refunded Bonds is hereby directed to provide written notice of such redemption to the registered owners of the Refunded Bonds and to any Bondholder whose name and address are on

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file with the paying agent for the Refunded Bonds. The Escrow Agent is hereby authorized and directed to publish the notice of defeasance, if required.

Section 17. Further Authorizations. The Mayor, City Clerk, City Finance Director and City Manager, with the advice of the City Attorney and Bond Counsel to the City, are hereby authorized and empowered, collectively and individually, to take all action and steps and to engage a verification agent, execute and deliver, on behalf of the City, and in their official capacities, the Tesoro Assessment Refunding Bonds, and any and all instruments, documents, or certificates, including but not limited to the Bond Purchase Agreement, the Bond Registrar and Paying Agent Agreement, the Official Statement, the Letter of Representations, a Tax Compliance Certificate, a Continuing Disclosure Certificate, an Escrow Deposit Agreement and any other such documents or certificates which are necessary or desirable in connection with the issuance and delivery of the Tesoro Assessment Refunding Bonds.

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

RESOLUTION 12-R108

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

Passed And Approved by the Council of the City of Port St. Lucie, Florida, this 22nd day of October, 2012.

CITY OF PORT ST. LUCIE, FLORIDA

By: _____
JoAnn M. Faiella, Mayor

(SEAL)

ATTEST:

Karen A. Phillips, City Clerk

APPROVED AS TO FORM:

Roger G. Orr, City Attorney

EXHIBIT A

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF PORT ST. LUCIE, FLORIDA
SPECIAL ASSESSMENT REFUNDING BOND
SERIES 2012A
(TESORO SPECIAL ASSESSMENT DISTRICT)

<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>DATE</u>	<u>CUSIP</u>
%	20__	20__	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

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 Us Bank National Association, Orlando, Florida, as Bond 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, until payment of such Principal Amount, at the Rate of Interest per annum set forth above, such interest being payable on [_____], and thereafter on [_____] of 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 registration books of the City kept by the Bond Registrar and Paying Agent; provided, that for any Registered Owner of one million dollars or more in principal amount of Bonds, such payment shall, at the written request and expense 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. Interest shall accrue on the basis of a 360 day year consisting of twelve 30-day months.

This Bond is one of a Series of Bonds, originally authorized to be issued in the aggregate principal amount of \$_____, of like date, tenor and effect, except as to number, interest rate, and date of maturity, issued to refund on a current basis all of the City's outstanding \$_____ original aggregate principal amount of Special Assessment Bonds, Tax-Exempt Series

2003B (Tesoro Special Assessment District – Installment Payment Assessments Secured) (the “Refunded Bonds”), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, Sections 1.01 and 9.09 of the Charter of the City, and other applicable provisions of law, and Ordinance 00-59 of the Council of the City duly enacted on July 10, 2000, as supplemented by Ordinance 12-60, duly enacted on October 22, 2012, as supplemented by Resolution 12-R____, adopted by the Council on October 22, 2012 (hereinafter collectively called 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.

This Bond is payable from and secured solely by a lien upon and pledge (i) of the proceeds derived from assessments levied against the lands and real estate within the City to be specially benefited by the Tesoro Project, including interest and penalties on such assessments, and any moneys received upon the foreclosure of the liens of such assessments or sales, if any, of tax deeds or tax certificates with respect to such assessments (the “Tesoro Special Assessments”), (ii) certain Tesoro Investment Earnings; and (iii) the moneys on deposit in the Tesoro Subaccounts in the Funds and Accounts created pursuant to the Bond Ordinance (collectively, the “Tesoro Pledged Revenues”). This Bond is additionally secured by the covenant of the City (the “Covenant”), to budget and appropriate and deposit into the Tesoro Assessment Bonds Debt Service Subaccount created pursuant to the Bond Ordinance, amounts, if any, of Non-Ad Valorem Revenues necessary to supplement the Tesoro Pledged Revenues to pay the Debt Service Requirement on the Tesoro Assessment Refunding Bonds, all in the manner provided in, and subject to the terms and conditions of, the Bond Ordinance.

This Bond does not constitute a general obligation or indebtedness of the City as a “bond” within the meaning of the State constitution, 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 Tesoro Project or any part thereof, or on any other property of or in the City, but shall constitute a lien only on the Tesoro Pledged Revenues, in the manner provided in the Bond Ordinance.

The Bonds are issuable only as fully registered Bonds in the denominations or Maturity Amounts of \$5,000 and integral multiples of \$5,000 in excess thereof. This Bond is transferable, and exchangeable for Bonds of other authorized denominations, at the office of the Bond Registrar and Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Bond Registrar and Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar and Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Ordinance. No charge will be made for transfer or exchange, but the City or the Bond Registrar and Paying Agent may require payment of an amount sufficient to cover any tax or other governmental charge payable in connection therewith. The City and the Bond Registrar and Paying Agent may deem and treat

the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the City nor the Bond Registrar and Paying Agent shall be affected by any notice to the contrary.

The City has entered into certain covenants with the Registered Owners of the Bonds of this Series for the terms of which reference is made to the Bond Ordinance. In particular, the City has reserved the right to defease the lien of the Bonds of this issue upon the Tesoro Pledged Revenues upon making provision for payment of the Bonds as provided in the Bond Ordinance.

Reference is made to the Bond Ordinance for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the City, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this Bond, by acceptance hereof, assents to all of the provisions of the Bond Ordinance.

[INSERT REDEMPTION PROVISIONS]

Notice of such redemption shall be given in the manner provided in the Bond Ordinance.

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 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 Ordinance 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 its Mayor, 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 attested by the manual or facsimile signature of the City Clerk, all as of the Date first above written.

(SEAL)

CITY OF PORT ST. LUCIE, FLORIDA

By: _____
Mayor

ATTEST:

By: _____
City Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

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

As Bond Registrar and Paying Agent

By: _____
Authorized Signature

Date of Authentication: _____, 2012

STATEMENT OF INSURANCE

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

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

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:

NOTICE: The signature to this assignment correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Commercial Bank, Trust Company or Member Firm of the New York Stock Exchange)

(Authorized Officer)