
CITY OF PORT ST. LUCIE, FLORIDA

CAPITAL IMPROVEMENT REVENUE BOND RESOLUTION

RESOLUTION NO. _____

ADOPTED AUGUST 23, 2021

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RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF PORT ST. LUCIE, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$55,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF PORT ST. LUCIE, FLORIDA CAPITAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2021 FOR THE PRINCIPAL PURPOSES OF ACQUIRING, CONSTRUCTING AND EQUIPPING VARIOUS CAPITAL IMPROVEMENTS WITHIN THE CITY AND REFUNDING A PORTION OF THE CITY'S OUTSTANDING SALES TAX REFUNDING REVENUE BONDS, SERIES 2011; PROVIDING FOR THE ISSUANCE OF ADDITIONAL CAPITAL IMPROVEMENT REVENUE BONDS FROM TIME TO TIME FOR THE PRINCIPAL PURPOSES OF FINANCING AND REFINANCING VARIOUS CAPITAL IMPROVEMENTS THAT BENEFIT THE CITY; PLEDGING MONEYS RECEIVED BY THE CITY FROM THE LOCAL GOVERNMENT HALF-CENT SALES TAX AND CERTAIN OF THE REVENUE SHARING PROCEEDS TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF BONDS ISSUED HEREUNDER; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH BONDS ISSUED HEREUNDER; AUTHORIZING A NEGOTIATED SALE OF SAID SERIES 2021 BONDS; DELEGATING CERTAIN AUTHORITY TO THE CITY MANAGER FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF A PURCHASE CONTRACT WITH RESPECT THERETO, AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID SERIES 2021 BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND THE APPOINTMENT OF AN ESCROW AGENT THERETO; APPOINTING THE PAYING AGENT AND REGISTRAR FOR SAID SERIES 2021 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE AND APPOINTING DIGITAL ASSURANCE CERTIFICATION, L.L.C. AS THE INITIAL DISSEMINATION AGENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Act (as defined herein), the City of Port St. Lucie, Florida (the "Issuer) is authorized to pledge the Pledged Funds (as defined herein) to pay the principal of, premium, if any, and interest on the Bonds (as defined herein).

WHEREAS, it is necessary and desirable and in the best interests of the Issuer to borrow moneys from time to time to finance and refinance capital improvements and other public purposes that benefit the Issuer.

WHEREAS, for the purposes described herein, the Issuer is authorized hereunder to borrow money by issuing its Bonds from time to time as provided herein.

WHEREAS, the Issuer currently has various capital improvement needs and requirements in the form of the Series 2021 Project (as defined herein) that need to be acquired, constructed and equipped in order to improve, maintain and/or protect the health, safety and welfare of the citizens of the Issuer.

WHEREAS, the City previously issued the Series 2011 Bonds (as defined herein) in order to refund certain outstanding indebtedness of the City.

WHEREAS, the City can achieve debt service savings by refunding that portion of the Series 2011 Bonds maturing on and after September 1, 2022 (the "Refunded Bonds").

WHEREAS, on the date hereof, the Council duly enacted an ordinance which, among other things, authorizes the issuance of Capital Improvement Revenue Bonds of the Issuer in an amount not to exceed \$55,000,000 for the principal purposes of financing costs of acquisition, construction and equipping of the Series 2021 Project and refunding the Refunded Bonds.

WHEREAS, it is in the best interests of the Issuer to finance costs of acquisition, construction and equipping of the Series 2021 Project and refund the Refunded Bonds through the issuance of tax-exempt debt obligations and the most efficient and fairest method of financing such costs and refunding the Refunded Bonds is by the issuance of the Series 2021 Bonds (as defined herein) secured by and payable from the Pledged Funds, in the manner and to the extent provided herein.

WHEREAS, due to the potential volatility of the market for tax-exempt obligations such as the Series 2021 Bonds and the complexity of the transactions relating to such Series 2021 Bonds, it is in the best interest of the Issuer to sell the Series 2021 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2021 Bonds and the most debt service savings for the Issuer.

WHEREAS, the Issuer anticipates receiving a favorable offer to purchase the Series 2021 Bonds from the Underwriters (as defined herein), all within the parameters set forth herein, and as provided in the hereinafter defined Purchase Contract.

WHEREAS, inasmuch as the Issuer desires to sell the Series 2021 Bonds at the most advantageous time and not wait for a scheduled meeting of the Council, so long as the herein described parameters are met, the Issuer hereby determines to delegate the award and sale of the Series 2021 Bonds to the City Manager within such parameters.

WHEREAS, the Series 2021 Bonds and any Additional Bonds and Subordinated Indebtedness (as such terms are defined herein) issued hereunder shall be secured by the Pledged Funds in the manner and to the extent provided herein and, upon the issuance of

the Series 2021 Bonds, such Pledged Funds will not be otherwise pledged as security for any other indebtedness of the Issuer.

WHEREAS, the estimated Pledged Funds to be received in each fiscal year of the Issuer hereafter is expected to be sufficient to pay the principal of and interest on the Series 2021 Bonds, as the same become due, and all other payments provided for in this Resolution.

WHEREAS, the principal of and interest on the Bonds and any Subordinated Indebtedness that may be issued pursuant to this Resolution, and all other payments provided for in this Resolution, will be paid solely from the Pledged Funds in accordance with the terms hereof and to the extent and in the manner provided herein; the Bonds and any Subordinated Indebtedness issued hereunder shall not constitute a general obligation, or a pledge of the faith, credit or taxing power of the Issuer, the State of Florida, or any political subdivision thereof, within the meaning of any constitutional or statutory provisions and neither the State of Florida, nor any political subdivision thereof, and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds or any Subordinated Indebtedness to be issued pursuant to this Resolution, or to make any other payments provided for in this Resolution, and neither the Bonds nor any Subordinated Indebtedness shall constitute a lien upon any other property whatsoever of or in the Issuer.

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ARTICLE I GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360 day year.

"Act" shall mean Chapter 166, Florida Statutes, Chapter 218, Parts II and VI, Florida Statutes, the Charter of the Issuer, the Ordinance, the Constitution of the State of Florida and other applicable provisions of law.

"Additional Bonds" shall mean the obligations issued at any time under the provisions of Section 5.02 hereof on parity with the Series 2021 Bonds.

"Amortization Installment" shall mean an amount designated as such by, or provided for pursuant to, this Resolution or Supplemental Resolution of the Issuer and established with respect to the Term Bonds.

"Annual Debt Service" shall mean the aggregate amount of Debt Service on the Bonds for each applicable Fiscal Year.

"Authorized Investments" shall mean any investments that may be made by the Issuer under applicable law and which are allowed under the Issuer's investment policy.

"Authorized Issuer Officer" shall mean the Mayor, the City Manager or the City Clerk, and when used in reference to any act or document, also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

"Bond Counsel" shall mean Nabors, Giblin & Nickerson, P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the

federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Insurance Policy" shall mean the municipal bond insurance policy or policies issued by an Insurer guaranteeing the payment of the principal of and interest on any portion of the Bonds.

"Bondholder" or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bonds" shall mean the Series 2021 Bonds, together with any Additional Bonds issued pursuant to this Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

"Capital Appreciation Bonds" shall mean those Bonds of a Series so designated under the authority of the Issuer, whether by Supplemental Resolution, purchase contract, or otherwise, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

"Chief Financial officer" shall mean the Chief Financial Officer of the City of Port St. Lucie, Florida and such other person as may be duly authorized to act on his or her behalf.

"City Clerk" shall mean the City Clerk of the City of Port St. Lucie, Florida and such other person as may be duly authorized to act on his or her behalf.

"City Manager" shall mean the City Manager of the City of Port St. Lucie, Florida and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Construction Fund" shall mean the fund established pursuant to Section 4.03 hereof.

"Cost," when used in connection with a Project, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations during the period of

acquisition and construction of such Project and for such period subsequent to completion as the Issuer shall determine; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses of the financing, including audits, fees and expenses of any Paying Agent, Registrar or depository; (8) amounts, if any, required by this Resolution to be paid into the Interest Account upon the issuance of any Series of Bonds; (9) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Bonds) incurred for a Project; (10) costs of machinery, equipment and supplies and reserves required by the Issuer for the commencement of operation of such Project; and (11) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles applicable to the Issuer, and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer and interest on any interfund loan related thereto. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

"Council" shall mean the City Council of the City of Port St. Lucie, Florida or its successor in function.

"Counterparty" shall mean the entity entering into a Hedge Agreement with the Issuer. Counterparty would also include any guarantor of such entity's obligations under such Hedge Agreement.

"Credit Bank" shall mean as to any particular Series of Bonds, the Person (other than an Insurer) providing a letter of credit, a line of credit or other credit or liquidity facility, as designated in the Supplemental Resolution providing for the issuance of such Bonds.

"Credit Facility" shall mean as to any particular Series of Bonds, an irrevocable letter of credit, a line of credit or other credit or legal liquidity facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Resolution providing for the issuance of such Bonds.

"Debt Service" shall mean, at any time, the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Outstanding Bonds during such period of time, except to the extent that such interest is to be paid from deposits in the Interest Account or Construction Fund made from Bond proceeds for such purpose, (2) principal of Outstanding Serial Bonds maturing in such period of time, and (3) the Amortization Installments scheduled to be paid during such period of time. For purposes of this definition, (A) all amounts payable on a Capital Appreciation Bond shall be considered a principal payment in the year it becomes due, (B) with respect to debt service on any Bonds which relate to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time, (C) if any Series of Bonds has 25% or more of the aggregate principal amount of such Series coming due in any one year, Debt Service shall

be determined on such Series during such period of time as if the principal of and interest on such Series were being paid from the date of issuance thereof in substantially equal annual amounts over a period of 25 years, (D) the amount, if any, on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted, and (E) with respect to Debt Service on any Federal Subsidy Bonds, when determining the interest on such Bonds for any particular Interest Date the amount of the corresponding Federal Subsidy Payment shall be deducted from the amount of interest which is due and payable to the holders of such Bonds on the Interest Date, but only to the extent that the Issuer reasonably believes that it will be in receipt of such Federal Subsidy Payment on or prior to such Interest Date.

"Debt Service Fund" shall mean the fund established pursuant to Section 4.04(B) hereof.

"Escrow Agent" shall mean The Bank of New York Mellon Trust Company, N.A.

"Escrow Agreement" shall mean the Escrow Deposit Agreement between the Issuer and the Escrow Agent relating to the refunding of the Refunded Bonds, the form of which is attached hereto as Exhibit E.

"Federal Securities" shall mean non-callable direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury) or non-callable obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Federal Subsidy Bonds" shall mean Bonds issued under Section 54AA of the Code, Section 1400U-2 of the Code or any other applicable provision of the Code, the interest on which is not exempt from federal income taxation, with respect to which the Issuer elects to receive, or is otherwise entitled to receive, Federal Subsidy Payments from the United States Department of Treasury.

"Federal Subsidy Payments" shall mean the direct payments made by the United States Department of Treasury to the Issuer with respect to any Federal Subsidy Bonds pursuant to Sections 54AA(g), 6431 and 1400U-2 of the Code, or any other applicable provision of the Code.

"Financial Advisor" shall mean PFM Financial Advisors LLC and its successors and assigns.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"**Fitch**" means Fitch Ratings and any assigns and successors thereto.

"**Hedge Agreement**" shall mean an agreement in writing between the Issuer and the Counterparty pursuant to which (1) the Issuer agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on a notional amount specified in such agreement during the period specified in such agreement and (2) the Counterparty agrees to pay to the Issuer an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on all or a portion of a notional amount specified in such agreement during the period specified in such agreement. Hedge Agreement shall also include any financial product or agreement which is used by the Issuer as a hedging device with respect to its obligations to pay interest on Bonds, or any portion thereof, which is designated by the Issuer as "Hedge Agreement."

"**Hedge Payments**" shall mean any amounts payable by the Issuer as interest on the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or a fee or by virtue of termination of a Qualified Hedge Agreement or any obligation to provide collateral.

"**Hedge Receipts**" shall mean any amounts receivable by the Issuer on the related notional amount under a Qualified Hedge Agreement.

"**Insurer**" shall mean, with respect to a particular Series of Bonds, such Person as shall have issued a Bond Insurance Policy insuring such Series of Bonds, and its successors and assigns.

"**Interest Account**" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

"**Interest Date**" or "**interest payment date**" shall be such date or dates for the payment of interest on the Bonds as provided pursuant to Section 2.01 hereof. Notwithstanding the foregoing, the Interest Dates for the Series 2021 Bonds shall be March 1 and September 1 of each year, commencing March 1, 2022, or such other date as the City Manager may determine.

"**Investment Earnings**" shall mean all income and earnings derived from the investment of moneys in the funds and accounts established hereunder, other than the Rebate Fund.

"**Issuer**" shall mean the City of Port St. Lucie, Florida.

"**Maximum Annual Debt Service**" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding.

"Maximum Interest Rate" shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in, or determined in accordance with, the Supplemental Resolution of the Issuer authorizing the issuance of such Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear.

"Mayor" shall mean the Mayor of the Issuer or, in his or her absence or unavailability, the Vice Mayor of the Issuer or such other person as is lawfully authorized to act in the place of the Mayor.

"Moody's" shall mean Moody's Investors Service, and any assigns and successors thereto.

"Ordinance" shall mean the Ordinance adopted on August 23, 2021, authorizing the issuance of the Series 2021 Bonds.

"Outstanding", when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which other Bond or Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for other Bond or Bonds under Sections 2.05 and 2.07 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof and (4) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean for each Series of Bonds, the paying agent appointed by the Issuer for such Series of Bonds and its successor or assigns, if any. With respect to the Series 2021 Bonds, the Paying Agent initially shall be The Bank of New York Mellon Trust Company, N.A.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization, governmental entity or other legal entity.

"Pledged Funds" shall mean (1) the Sales Tax Revenues, (2) the Revenue Sharing Proceeds, and (3) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder except (A) for the Unrestricted Revenue Account and the Rebate Fund and (B) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions hereof.

"Policy Costs" shall mean, collectively, the repayment of draws, reasonable expenses and interest related to a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund held by a fiduciary consisting only of cash or Federal Securities, secured in substantially the manner set forth in Section 8.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund are sufficient, as verified by an independent certified public accountant or other expert in such matters, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above and are not available to satisfy any other claims, including those against the fiduciary holding the same, and (4) which are rated in the highest rating category (without regard to gradations, such as "+" or "-" or "1, 2 or 3" of such categories) of one of the Rating Agencies.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

"Project" shall mean any structure, property or facility for public use which the Issuer from time to time may determine to construct, acquire or equip, together with all equipment, structures and other facilities necessary or appropriate in connection therewith which are financed in whole or in part with the indebtedness secured by this Resolution. This term is to be broadly construed as including any lawful undertaking which will accrue to the benefit of the Issuer, including, without limitation, financing improvements to the Issuer's facilities, joint ventures and acquisition of partial interests or contractual rights, and including modification, disposal, replacement or cancellation of a Project previously authorized, should such modification, disposal, replacement or cancellation be permitted under this Resolution. The Series 2021 Project shall constitute a Project hereunder.

"Purchase Contract" shall mean the Bond Purchase Contract between the Issuer and the Underwriters with respect to the sale of the Series 2021 Bonds, the form of which is attached hereto as Exhibit B.

"Qualified Hedge Agreement" shall mean a Hedge Agreement with a Counterparty that at the time it enters into such Hedge Agreement is rated "A-" or better by Standard & Poor's and "A3" or better by Moody's.

"Rating Agencies" means Fitch, Moody's and Standard & Poor's.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 4.04(C) hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Refunded Bonds" shall mean that portion of the Series 2011 Bonds which are maturing on September 1, 2022 and September 1, 2023.

"Registrar" shall mean for each Series of Bonds, the bond registrar appointed by the Issuer for such Series of Bonds and its successor or assigns, if any. With respect to the Series 2021 Bonds, the Registrar initially shall be The Bank of New York Mellon Trust Company, N.A.

"Reserve Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04(B) hereof.

"Reserve Account Insurance Policy" shall mean the debt service reserve account insurance policy or surety bond deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4).

"Reserve Account Letter of Credit" shall mean a letter of credit or line of credit or other credit facility (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) 125% of the average Annual Debt Service for all Outstanding Bonds secured thereby, or (3) the maximum amount of Bond proceeds which may be deposited to the Reserve Account without subjecting the same to yield restriction under the Code, or causing interest on any of the Bonds (other than Taxable Bonds) to be included in gross income for purposes of federal income taxation; provided, however, the Issuer may establish hereby or by Supplemental Resolution a different Reserve Account Requirement with respect to any particular Series of Bonds pursuant to Section 4.05(A)(4) hereof, which Reserve Account Requirement may be \$0.00. The Reserve Account Requirement for the Series 2021 Bonds shall be zero dollars (\$0.00). In computing the Reserve Account Requirement in respect of a Series of Bonds that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of calculation, the highest of (i) the actual rate of interest on the date of calculation, (ii) the average interest rate borne by such Variable Rate Bonds for the 12-month period preceding each date of calculation, and (iii) the Bond Buyer Revenue Bond Index most recently

published prior to the time of calculation, and (B) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of calculation, the higher of (i) the actual rate of interest on the date of calculation, and (ii) the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation. The Reserve Account Requirement shall be calculated, and the investments on deposit in the Reserve Account shall be valued, as of September 30 of each year with respect to the next succeeding Fiscal Year.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Restricted Revenue Account" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04(A) hereof.

"Revenue Fund" shall mean the fund created pursuant to Section 4.04(A) hereof.

"Revenue Sharing Proceeds" shall mean the revenues received by the Issuer from the Revenue Sharing Trust Fund for Municipalities pursuant to Chapter 218, Part II, Florida Statutes, in an amount equal to 50% of the revenues received by the Issuer from the Revenue Sharing Trust Fund for Municipalities in the prior Fiscal Year.

"Sales Tax Revenues" shall mean all moneys distributed (including any emergency distribution) to the Issuer from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to Part VI, Chapter 218, Florida Statutes and other applicable provisions of law, and any funds received by the Issuer as a replacement for any proceeds formerly distributed to the Issuer from the Local Government Half-Cent Sales Tax Clearing Trust Fund as the result of any change in Florida law.

"Serial Bonds" shall mean all of the Bonds other than the Term Bonds.

"Series" shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or a Supplemental Resolution authorizing the issuance by the Issuer of such Bonds as a separate Series, regardless of variations in maturity, interest rate, Amortization Installments or other provisions.

"Series 2011 Bonds" shall mean the City of Port St. Lucie, Florida Sales Tax Refunding Revenue Bonds, Series 2011.

"Series 2021 Bonds" shall mean the City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds, Series 2021, authorized pursuant to Section 2.02 hereof.

"Series 2021 Project" shall be those capital improvements which are generally described in Exhibit A hereto, all as more particularly described in the plans and

specifications on file with the Issuer, as the same may be amended and supplemented from time to time.

"**Standard and Poor's**" or "**S&P**" shall mean S&P Global Ratings, and any assigns and successors thereto.

"**State**" shall mean the State of Florida.

"**Subordinated Indebtedness**" shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof or deemed subordinate and junior to the Bonds in accordance with the provisions hereof or in accordance with the provisions of such Subordinated Indebtedness.

"**Supplemental Resolution**" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

"**Taxable Bonds**" means any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes or that such interest is subject to federal income taxation. Notwithstanding the foregoing, except as otherwise provided herein, Taxable Bonds shall not include Federal Subsidy Bonds.

"**Term Bonds**" shall mean those Bonds which shall be designated as or authorized to be Term Bonds hereby or by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installments.

"**Underwriters**" shall mean, with respect to the Series 2021 Bonds, PNC Capital Markets LLC and Raymond James & Associates, Inc.

"**Unrestricted Revenue Account**" shall mean the separate account in the Revenue Fund established pursuant to Section 4.04(A) hereof.

"**Variable Rate Bonds**" shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act. The Issuer has ascertained and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the Issuer herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the Issuer.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds, and shall be deemed to be and shall constitute a contract between the Issuer, the Holders from time to time of the Bonds and any Insurer or Credit Bank. The pledge made in the Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and any Insurer or Credit Bank, but only in accordance with the terms hereof. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

SECTION 1.04. AUTHORIZATION OF THE SERIES 2021 PROJECT; AUTHORIZING THE REFUNDING OF THE REFUNDED BONDS. (A) The acquisition, construction and equipping of the Series 2021 Project is hereby authorized and approved. Proceeds of the Series 2021 Bonds may be used to reimburse Costs of the Series 2021 Project in accordance with applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(B) The refunding of the Refunded Bonds in order to achieve debt service savings is hereby authorized and approved.

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ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

SECTION 2.01. AUTHORIZATION OF BONDS. This Resolution creates an issue of Bonds of the Issuer to be designated as "City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act. The designation of any particular Series of Bonds may be modified by the Supplemental Resolution authorizing such Series in order to better describe it.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined by Supplemental Resolution of the Issuer.

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; shall bear interest at such rates, shall have such Interest Dates and the proceeds shall be used in such manner; all as determined or provided for by Supplemental Resolution of the Issuer. The Issuer may issue Bonds which may be secured by a Credit Facility or by a Bond Insurance Policy of an Insurer all as shall be determined by Supplemental Resolution of the Issuer. The Council may delegate approval of the terms, details and sale of a Series of Bonds to an Authorized Issuer Officer pursuant to Supplemental Resolution.

SECTION 2.02. AUTHORIZATION AND DESCRIPTION OF SERIES 2021 BONDS. A Series of Bonds entitled to the benefit, protection and security of this Resolution is hereby authorized in the aggregate principal amount of not exceeding \$55,000,000 for the principal purposes of acquiring, constructing and equipping the Series 2021 Project and refunding the Refunded Bonds. Such Series of Bonds shall be designated as "City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds, Series 2021." The aggregate principal amount of the Series 2021 Bonds to be issued pursuant to the Resolution shall be determined by the City Manager provided such aggregate principal amount does not exceed \$55,000,000. The Series 2021 Bonds shall be

dated as of their date of delivery or such other date as the City Manager may determine, shall be issued in the form of fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R", shall bear interest from their date of delivery, payable semi-annually, on March 1 and September 1 of each year, commencing on March 1, 2022, or such other date as may be determined by the City Manager (each an "Interest Date").

Interest on the Series 2021 Bonds shall be payable by check or draft of The Bank of New York Mellon Trust Company, N.A., as Paying Agent, made payable and mailed to the Holder in whose name such Series 2021 Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding the applicable Interest Date, or, at the request of such Holder, by bank wire transfer to the account of such Holder. Principal of the Series 2021 Bonds is payable to the Holder upon presentation, when due, at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent; provided, however, so long as the Series 2021 Bonds are registered in the name of Cede & Co. pursuant to DTC's book-entry system of registration as described in Section 9.03 hereof, principal may be paid by wire transfer. All payments of principal, premium, if applicable, and interest on the Series 2021 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Series 2021 Bonds shall bear interest at such rates (calculated on the basis of a 360-day year of twelve 30-day months) and yields, shall mature on September 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as determined by the City Manager, upon the advice of the Financial Advisor, subject to the conditions set forth in Section 9.01 hereof. All of the terms of the Series 2021 Bonds will be included in the Purchase Contract. The City Manager is hereby authorized to execute the Purchase Contract in substantially the form attached hereto as Exhibit B with such modifications as the City Manager deems appropriate upon satisfaction of the conditions described in Section 9.01 hereof, subject to review by Bond Counsel. Execution by the City Manager of the Purchase Contract shall be deemed to be conclusive evidence of approval of such modifications.

SECTION 2.03. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by

such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.04. AUTHENTICATION. No Bond of any Series shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.08 hereof.

SECTION 2.05. TEMPORARY BONDS. Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.03, and deliver, upon authentication by the Registrar pursuant to Section 2.04 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by subsequent resolution and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.06. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be cancelled by the

Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.06 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.07. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an Interest Date for such

Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and deliver Bonds and the Registrar shall authenticate such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the City Manager and City Clerk for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be cancelled by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the 15 days next preceding an Interest Date on the Bonds of such Series (other than Capital Appreciation Bonds and Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

The Issuer may elect to issue any Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by Supplemental Resolution. In accordance with Section 9.03 hereof, the Issuer elects to initially provide for a book entry only system of registration for the Series 2021 Bonds.

SECTION 2.08. FORM OF BONDS. The text of the Bonds, except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Issuer, shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

No. R-

\$

**UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF PORT ST. LUCIE, FLORIDA
CAPITAL IMPROVEMENT AND REFUNDING REVENUE BOND,
SERIES**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Holder:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that City of Port St. Lucie, Florida, a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on March 1 and September 1 of each year commencing _____ until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount and interest and the premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Except as otherwise provided in the hereinafter defined Resolution, such Principal Amount and the premium, if any, on this Bond, are payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Registrar, at the close of business on the

date which shall be the fifteenth day (whether or not a business day) next preceding each interest payment date and shall be paid by a check of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the request of such Registered Holder, by bank wire transfer for the account of such Holder. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to _____, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 166, Florida Statutes, Chapter 218, Parts II and VI, Florida Statutes, the Charter of the Issuer, the Constitution of the State of Florida and other applicable provisions of law (the "Act"), and a resolution duly adopted by the City Council of the Issuer on August ____, 2021, as the same may be amended and supplemented (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of (1) the Sales Tax Revenues (as defined in the Resolution), (2) the Revenue Sharing Proceeds (as defined in the Resolution), and (3) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established under the Resolution except (A) for the Unrestricted Revenue Account and the Rebate Fund (as each is defined in the Resolution) and (B) any moneys set aside in a particular subaccount of the Reserve Account (as defined in the Resolution) if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds").

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS BOND THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. THIS BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS. THE ISSUER MAY ISSUE ADDITIONAL OBLIGATIONS ON PARITY WITH THE BONDS IN ACCORDANCE WITH THE TERMS OF THE RESOLUTION.

The Issuer has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Resolution, an agent will hold this Bond on behalf

of the beneficial owner thereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owner of this Bond shall be deemed to have agreed to such arrangement.

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer shall not be obligated to make any exchange or transfer of the Bonds during the 15 days next preceding an interest payment date or, in the case of any proposed redemption of the Bonds, then, for the Bonds subject to such redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption.

(INSERT REDEMPTION PROVISIONS)

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least 30 days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Registrar; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of other Bonds as to which no such failure or defect has occurred. In the event that less than the full principal amount hereof shall have been called for redemption, the Registered Holder hereof shall surrender this Bond in exchange for one or more Bonds in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

As long as the book-entry only system is used for determining beneficial ownership of the Bonds, notice of redemption will only be sent to Cede & Co. Cede & Co. will be responsible for notifying the DTC Participants (as defined in the Resolution), who will in turn be responsible for notifying the beneficial owners of the Bonds. Any failure of Cede & Co. to notify any DTC Participant, or of any DTC Participant to notify the beneficial owner of any such notice, will not affect the validity of the redemption of the Bonds.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the

pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, and the rights, duties, immunities and obligations of the Issuer.

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 the Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the members of the City Council of the Issuer nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

[This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Sixth Judicial Circuit of Florida in and for Pinellas County, Florida, rendered on _____, __.]

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the City Council of City of Port St. Lucie, Florida has issued this Bond and has caused the same to be executed by the manual signature of the Mayor, and to be attested by the manual signature of the City Clerk of the City of Port St. Lucie, Florida, and its corporate seal to be affixed or reproduced hereon, all Date of Original Issue.

**CITY OF PORT ST. LUCIE,
FLORIDA**

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Officer

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an 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 Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entirety

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

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

ARTICLE III REDEMPTION OF BONDS

SECTION 3.01. PRIVILEGE OF REDEMPTION. The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution. The provisions of this Article III may also be modified pursuant to Supplemental Resolution to accommodate any redemption provisions with respect to Federal Subsidy Bonds, Taxable Bonds or privately placed Bonds. Certain redemption provisions with respect to the Series 2021 Bonds shall be determined in accordance with Section 9.02 hereof.

SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof. If less than all of a Term Bond is to be redeemed, the aggregate principal amount to be redeemed shall be allocated to the Amortization Installments on a pro-rata basis unless the Issuer, in its discretion, designates a different allocation.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

SECTION 3.03. NOTICE OF REDEMPTION. Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agent of such Bonds, (B) shall be mailed first class, postage prepaid, not less than 30 days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (C) shall be provided to the Electronic Municipal Market Access within 10 days of the mailing thereof. Failure to mail such notice to such depositories or services or the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure

or defect has occurred. Such notice shall also be mailed to the Insurer, if any, of such redeemed Bonds. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

The Issuer may provide that redemption will be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur, the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders as soon as practicable.

SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of any authorized denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

SECTION 3.05. PAYMENT OF REDEEMED BONDS. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall

default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

SECTION 3.06. PURCHASE IN LIEU OF OPTIONAL REDEMPTION.

Notwithstanding anything in this Resolution to the contrary, at any time the Bonds are subject to optional redemption pursuant to this Resolution, all or a portion of the Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the Issuer, on the date which would be the redemption date if such Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the redemption price which would have been applicable to such Bonds on the redemption date for the account of and at the direction of the Issuer who shall give the Paying Agent, as trustee, notice at least ten days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Bonds or any other Outstanding Bonds (other than Taxable Bonds) or shall not otherwise affect the status of any such Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to said Outstanding Federal Subsidy Bonds. In the event the Paying Agent, as trustee, is so directed to purchase Bonds in lieu of optional redemption, no notice to the holders of the Bonds to be so purchased (other than the notice of redemption otherwise required under this Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Bonds if such Bonds had been redeemed rather than purchased. Each Bond so purchased shall not be canceled or discharged and shall be registered in the name of the Issuer. Bonds to be purchased under this Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

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ARTICLE IV
SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER. The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a lien upon and pledge of the Pledged Funds, in the manner and to the extent provided in this Resolution. No Holder of any Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer except from the Pledged Funds in the manner and to the extent provided herein.

SECTION 4.02. SECURITY FOR BONDS. The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds prior and superior to any other liens or encumbrances on the Pledged Funds; provided, however, a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy in addition to the security provided herein; and provided further that a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a separate subaccount in the Reserve Account for such Series of Bonds. Issuers of a Reserve Account Insurance Policy and Reserve Account Letter of Credit shall be secured in accordance with the provisions hereof. In addition, the Issuer does hereby irrevocably pledge and grant a lien upon the Pledged Funds to the payment of the Policy Costs in accordance with the provisions hereof; provided, however, such pledge and lien shall be junior and subordinate in all respects to the pledge of and lien upon such Pledged Funds granted hereby to the Bondholders. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. Except as otherwise provided by Supplemental Resolution, the obligation of the Issuer to make Hedge Payments to a Counterparty pursuant to a Qualified Hedge Agreement shall be on parity with the Bonds as to lien on and pledge of the Pledged Funds in accordance with the terms hereof (any other payments related to a Qualified Hedge Agreement, including fees, penalties, termination payments and the obligation to collateralize, shall be Subordinated Indebtedness of the Issuer).

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

SECTION 4.03. CONSTRUCTION FUND. The Issuer covenants and agrees to establish, a special fund to be known as the "City of Port St. Lucie, Florida Capital Improvement Revenue Bonds Construction Fund," which shall be used only for payment of the Cost of a Project. Moneys in the Construction Fund, until applied in payment of any

item of the Cost of a Project in the manner hereinafter provided, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution, and there may be paid into the Construction Fund, at the option of the Issuer, any moneys received for or in connection with a Project by the Issuer from any other source. The Issuer shall establish within the Construction Fund a separate account for each Project, the Cost of which is to be paid in whole or in part out of the Construction Fund. There is hereby established the Series 2021 Project Account pursuant to which proceeds of the Series 2021 Bonds will be deposited and from which Costs of the Series 2021 Project will be paid.

The proceeds of insurance maintained pursuant to this Resolution against physical loss of or damage to a Project, or of contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the appropriate account of the Construction Fund.

Any moneys received by the Issuer from the State or from the United States of America or any agencies thereof for the purpose of financing part of the Cost of a Project shall be deposited into the appropriate account of the Construction Fund and used in the same manner as other Bond proceeds are used therein; provided that separate accounts or subaccounts may be established in the Construction Fund for moneys received pursuant to the provisions of this paragraph whenever required by Federal or State law.

The Issuer covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the Project for which it was established, except as otherwise provided below. The Issuer shall keep records of such disbursements and payments and shall retain all such records for such period of time as required by applicable law. The Issuer shall make available the records at all reasonable times for inspection by any Holder of any of the Bonds or the agent or representative of any Holder of any of the Bonds.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in an account of the Construction Fund shall be applied to the payment of principal and interest on the Bonds for which such account was established or to reimburse a provider of a Credit Facility or Bond Insurance Policy for the payment of such principal and interest, when due.

The date of completion of the acquisition, construction and equipping of a Project shall be filed by an Authorized Issuer Officer in the appropriate records of the Issuer. Promptly after the date of the completion of a Project, and after paying or making provision

for the payment of all unpaid items of the Cost of such Project, the Issuer shall deposit in the following order of priority any balance of moneys remaining in an account in the Construction Fund in (A) another account of the Construction Fund for which an Authorized Issuer Officer has stated that there are insufficient moneys present to pay the Cost of the related Project, (B) the Reserve Account, to the extent of a deficiency therein, and (C) such other fund or account established hereunder as shall be determined by the Council, provided the Issuer has received the approval of Bond Counsel.

SECTION 4.04. CREATION OF FUNDS AND ACCOUNTS. The Issuer covenants and agrees to establish the following funds and accounts:

(A) The "City of Port St. Lucie, Florida Capital Improvement Revenue Bonds Revenue Fund." The Issuer shall maintain two separate accounts in the Revenue Fund, the "Restricted Revenue Account" and the "Unrestricted Revenue Account."

(B) The "City of Port St. Lucie, Florida Capital Improvement Revenue Bonds Debt Service Fund." The Issuer shall maintain four separate accounts in the Debt Service Fund, the "Interest Account," the "Principal Account," the "Bond Amortization Account" and the "Reserve Account."

(C) The "City of Port St. Lucie, Florida Capital Improvement Revenue Bonds Rebate Fund."

Moneys in the aforementioned funds and accounts, other than the Rebate Fund and the Unrestricted Revenue Account, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Bondholders, any one or more of the funds, accounts and subaccounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and be qualified under applicable State law as a depository.

Notwithstanding the foregoing, none of the aforementioned funds and accounts is required to be established prior to the time any such fund or account is required to be funded or otherwise utilized hereunder.

SECTION 4.05. DISPOSITION OF SALES TAX REVENUES AND REVENUE SHARING PROCEEDS. (A) The Issuer shall promptly deposit upon receipt all of the Sales Tax Revenues and Revenue Sharing Proceeds into the Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 25th day of each month, commencing in the month immediately following delivery of any of the Bonds to the purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

(1) Interest Account. The Issuer shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all of the Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). All Hedge Receipts and Federal Subsidy Payments shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which the Issuer has determined are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the Issuer (a) for deposit with the Paying Agent to pay the interest on the Bonds on or prior to the date the same shall become due, whether by maturity, redemption or otherwise, and (b) for Hedge Payments. Any Federal Subsidy Payments deposited to the Interest Account shall be deemed to have been applied to the payment of interest on the Federal Subsidy Bonds to which such Payments relate. The Issuer shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Counterparty to such Qualified Hedge Agreement relating to such Bonds shall be paid to the Counterparty to such Qualified Hedge Agreement on a parity basis with the aforesaid required payments into the Debt Service Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(2) Principal Account. Commencing in the month which is one year prior to the first principal due date (or if the first principal due date is less than one year from the date of issuance of a Series of Bonds, the month immediately following the issuance of such Bonds), the Issuer shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount on the Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding payment due date from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the Issuer for deposit with the Paying Agent to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature and monthly payments into the Principal Account on account of such Bonds shall commence in the twelfth month immediately preceding the maturity date of such Bonds. The Issuer shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date (or if the first Amortization Installment due date is less than one year from the date of issuance of a Series of Bonds, the month immediately following the issuance of such Bonds), there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said Account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided or as provided by Supplemental Resolution, and for no other purpose. Term Capital Appreciation bonds shall be payable from the Term Bonds Redemption Account in the years in which such Bonds mature and monthly

payments into the Bond Amortization Account on account of such Bonds shall commence in the twelfth month immediately preceding the due date of the related Amortization Fund Installments. The Issuer shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Issuer, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established at a price not exceeding par plus accrued interest, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms at a price not exceeding par plus accrued interest. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Restricted Revenue Fund.

(4) Reserve Account. There shall next be deposited to the Reserve Account an amount which would enable the Issuer to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement

applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether such shortfall was caused by an increase in the applicable Reserve Account Requirement, a decrease in the aggregate market value of the investments therein of more than 5% or withdrawal (whether from cash or a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the Issuer to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the Issuer into the Restricted Revenue Account and applied as directed by Bond Counsel. The Issuer shall promptly inform each Insurer and Credit Bank of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the Reserve Account in an amount at least equal to the applicable Reserve Account Requirement to the extent such Series of Bonds are to be secured by the Reserve Account or any subaccount therein; provided, however, nothing herein shall be construed to require the Issuer to fund the Reserve Account or any subaccount for any Series of Bonds. Upon the adoption of the Supplemental Resolution authorizing the issuance of a Series of Bonds, the Issuer shall determine whether such Series of Bonds shall be secured by the Reserve Account or any subaccount therein and, if the Issuer determines that the Series of Bonds will be secured by a separate subaccount therein, the Issuer shall also establish the Reserve Account Requirement applicable thereto. Such required amount, if any, shall be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account or subaccount therein over a period of months from the date of issuance of such Series of Bonds, which shall not exceed 36 months.

Notwithstanding the foregoing provisions, in lieu of or in substitution of any required deposits into the Reserve Account or any subaccount therein, the Issuer may cause to be deposited into the Reserve Account or subaccount a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the

Reserve Account or subaccount, if any. The Issuer may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account or a subaccount therein upon compliance with the terms of this Section 4.05(A)(4). Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. Upon the initial deposit of any such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, the provider thereof shall be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"), or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating in one of the two highest rating categories by at least one of the three Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"). Any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall equally secure all Bonds secured by the Reserve Account or subaccount into which such Policy or Letter of Credit is deposited.

Each Reserve Account Insurance Policy and Reserve Account Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the provider of the Reserve Account Insurance Policy or Reserve Account Letter of Credit to reimbursement will be subordinated to cash replenishment of the Reserve Account or subaccount to an amount equal to the difference between the full original amount available under the Reserve Account Insurance Policy or Reserve Account Letter of Credit and the amount then available for further draws or claims. If (a) the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit becomes insolvent or (b) the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit defaults in its payment obligations thereunder or (c) the rating of the provider of a Reserve Account Insurance Policy falls below a rating of "A-" or "A3" by all of the Rating Agencies then rating such provider or (d) the rating of the provider of a Reserve Account Letter of Credit falls below a rating of "AA-" or "Aa3" by all of the Rating Agencies then rating such provider, the obligation to reimburse the provider of the Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be subordinate to the cash replenishment of the Reserve Account or subaccount. Where applicable, the amount available for draws or claims under a Reserve Account Insurance Policy or Reserve Account

Letter of Credit may be reduced by the amount of cash or investments deposited in the Reserve Account or subaccount pursuant to the provisions hereof.

If the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or if the Reserve Account Insurance Policy or Reserve Account Letter of Credit is no longer valid and enforceable, the Issuer shall either (i) deposit into the Reserve Account or subaccount an amount sufficient to cause the cash or investments on deposit in the Reserve Account or applicable subaccount to equal the Reserve Account Requirement on all Outstanding Bonds then secured by such Reserve Account or subaccount, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (ii) replace such instrument with a Reserve Account Insurance Policy or a Reserve Account Letter of Credit meeting the requirements described herein within six months of such occurrence.

If three days prior to an Interest Date or principal payment date, or such other period of time as shall be required by the terms of the Reserve Account Insurance Policy or Reserve Account Letter of Credit, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on the Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit and submit a demand for payment pursuant to the provisions of such Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit, (b) the Paying Agent, and (c) the Insurer or Credit Bank, if any, of the amount of such deficiency and the date on which such payment is due.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy by executing and delivering to such issuer a promissory note or other evidence therefor; provided, however, any such note or evidence (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from the Pledged Funds in the manner provided herein. The obligation to reimburse the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit for any Policy Costs shall be subordinate to the payment of Debt Service on the Bonds.

The term "Paying Agent" as used in this Section 4.05(A)(4) may include one or more Paying Agents for the Outstanding Bonds.

Whenever the amount of cash in the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price

and interest thereon), the funds on deposit in the Reserve Account may be transferred to the other Accounts of the Debt Service Fund for the payment of the Bonds.

The Issuer may also establish a separate subaccount in the Reserve Account for any Series of Bonds and such subaccount shall be pledged to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount of the Reserve Account at such level as the Issuer deems appropriate. In the event the Issuer by Supplemental Resolution establishes the Reserve Account Requirement for a particular Series of Bonds to be zero (0.00) or it shall determine that such Series are not to be secured in any manner by the Reserve Account or a subaccount, then it shall not be required to establish a separate subaccount; provided, however, such Series of Bonds shall have no lien on or pledge of any moneys on deposit in the Reserve Account. Moneys used to replenish the Reserve Account shall be deposited in the separate subaccounts in the Reserve Account and in the Reserve Account on a pro-rata basis.

The Reserve Account Requirement with respect to the Series 2021 Bonds is equal to \$0.00. Accordingly, the Series 2021 Bonds are not secured in any manner by the Reserve Account or any subaccount created therein.

In the event the Issuer shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in the Reserve Account or any subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance Policy or Reserve Account Letter of Credit. The provisions of any insurance agreements executed in connection with any such Policy or Letter of Credit, when executed and delivered, shall be incorporated herein by reference. The provisions of such agreements shall supersede the provisions hereof to the extent of any conflict herewith.

(5) Unrestricted Revenue Account. The balance of any moneys after the deposits required by Sections 4.05(A)(1) through (A)(4) hereof may be transferred, at the discretion of the Issuer, to the Unrestricted Revenue Account or any other appropriate fund and account of the Issuer and may be used for any lawful purpose including, without limitation, the early redemption of Bonds. In the event moneys on deposit in the Interest Account and the Principal Account on the third day prior to an Interest Date are not sufficient to pay the principal of and interest on the Bonds

coming due on such Interest Date, the Issuer shall transfer moneys from the Unrestricted Revenue Account, if any, to the appropriate Account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

(B) The Issuer, in its discretion, may use moneys in the Principal Account, the Bond Amortization Account and the Interest Account to purchase or redeem Outstanding Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(C) At least one business day prior to the date established for payment of any principal of or interest on the Bonds, the Issuer shall withdraw from the appropriate Account of the Debt Service Fund sufficient moneys to pay such principal or interest and deposit such moneys with the Paying Agent. Such deposits with the Paying Agent shall be made in moneys available to make payments of the principal of and interest on the Bonds as the same becomes due.

(D) In the event the Issuer shall issue a series of Bonds secured by a Credit Facility, the Issuer may establish such separate subaccounts in the Interest Account, the Principal Account and the Bond Amortization Account to provide for payment of the principal of and interest on such Series as may be required by the Credit Facility Provider; provided one Series of Bonds shall not have preference in payment from Pledged Funds over any other Series of Bonds. The Issuer may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in this Section 4.05 as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds. In the case of Bonds secured by a Credit Facility, amounts on deposit in any subaccounts established for such Bonds may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Facility Provider for amounts drawn under such Credit Facility to pay the principal of or redemption price, if applicable, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the Holders thereof for payment.

SECTION 4.06. REBATE FUND. Amounts on deposit in the Rebate Fund shall be held in trust by the Issuer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Revenue Fund) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. For any Series of Bonds for which the rebate requirements of Section 148(f) of the Code are applicable, the Issuer agrees to undertake all actions required of it in its arbitrage certificate relating to such Series of Bonds, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

(B) depositing the amount determined in clause (A) above into the Rebate Fund;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.06 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificates may be amended without the consent of any Holder, Credit Bank or Insurer from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

SECTION 4.07. INVESTMENTS. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such Fund or Account. Moneys on deposit in the Reserve Account may be invested and reinvested in Authorized Investments which mature no later than ten (10) years from the date of investment. All investments shall be valued at market at least annually as of September 30 of each year.

Any and all income received by the Issuer from the investment of moneys in the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Restricted Revenue Account and the Reserve Account (to the extent such income and the other amounts in the Reserve Account does not exceed the Reserve Account Requirement) shall be retained in such respective Fund or Account. Any and all income received by the Issuer from the investment of moneys in the Reserve Account (only to the extent such income and other amounts in the Reserve Account exceeds the Reserve Account Requirement) shall be deposited in the Interest Account.

Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

SECTION 4.08. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

The designation and establishment of the various funds, accounts and subaccounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

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ARTICLE V
SUBORDINATED INDEBTEDNESS, ADDITIONAL BONDS
AND COVENANTS OF ISSUER

SECTION 5.01. SUBORDINATED INDEBTEDNESS. The Issuer will not issue any other obligations payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon except in compliance with the provisions of Section 5.02. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution and provided further that the issuance of such Subordinated Indebtedness shall be subject to any provisions contained in financing documents securing outstanding Subordinated Indebtedness to the extent such provisions impact on the ability of the Issuer to issue Subordinated Indebtedness. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Issuer agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided.

The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing or refinancing the Costs of a Project, or the completion thereof, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the Issuer or any other indebtedness of the Issuer that it may lawfully refund with proceeds of Bonds. No such Additional Bonds shall be issued unless (1) no Event of Default (as specified in Section 6.01 hereof) shall have occurred and be continuing hereunder and (2) the following conditions are complied with:

(A) Except as otherwise provided in Section 5.02(E) hereof, there shall have been obtained and filed with the Issuer a statement of the City Manager: (1) stating that he or she has examined the books and records of the Issuer relating to the Sales Tax Revenues and Revenue Sharing Proceeds which have been received by the Issuer; (2) setting forth the amount of such Sales Tax Revenues and Revenue Sharing Proceeds during any twelve (12) consecutive months designated by the Issuer within the twenty-four (24) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the aggregate amount of such Sales Tax Revenues and Revenue Sharing Proceeds received during the aforementioned 12 month

period equals at least 1.50 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such report may be partially based upon a certification of certain matters related to the calculation of the Maximum Annual Debt Service by the Issuer's Financial Advisor.

(B) For the purpose of determining the Debt Service under this Section 5.02, the interest rate on Additional Bonds that are proposed to be as Variable Rate Bonds shall be deemed to be the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(C) For the purpose of determining the Debt Service under this Section 5.02, the interest rate on Outstanding Variable Rate Bonds (not subject to a Qualified Hedge Agreement) shall be deemed to be (i) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the highest of (a) the actual rate of interest borne by such Variable Rate Bonds on the date of sale, and (b) the average interest rate borne by such Variable Rate Bonds during the 12-month period preceding the date of sale, or (ii) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the higher of (a) the actual rate of interest borne by the Variable Rate Bonds on the date of sale, and (b) the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(D) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution. Except as otherwise provided in Sections 4.02 and 4.05 hereof, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the Issuer shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Additional Bonds pursuant to this Section 5.02 that in the event the principal thereof is accelerated due to such Bonds being held by the Credit Facility Provider, the lien of any accelerated debt due and owing such Credit Facility Provider on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by this Resolution.

(E) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.02(A) hereof shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

SECTION 5.03. BOND ANTICIPATION NOTES. The Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by resolution of the Issuer.

SECTION 5.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS. The Issuer may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Issuer shall meet all the requirements imposed upon the issuance of Additional Bonds by Section 5.02 hereof, assuming, for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds and (B) the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.05(A)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

SECTION 5.05. BOOKS AND RECORDS. The Issuer will keep books and records of the receipt of the Sales Tax Revenues and Revenue Sharing Proceeds in accordance with generally accepted accounting principles.

SECTION 5.06. NO IMPAIRMENT. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution, agreement or other proceedings of the Issuer.

SECTION 5.07. RECEIPT OF SALES TAX REVENUES AND REVENUE SHARING PROCEEDS. The Issuer covenants to do all things necessary or required on its part by the Act or otherwise to entitle the Issuer to receive the Sales Tax Revenues and the Revenue Sharing Proceeds in the amounts currently provided under the Act. The Issuer shall exercise all legally available remedies to enforce such receipt now or hereafter available under law. The Issuer will not take any action or enter into any agreement that shall result in impairing or reducing the level of Sales Tax Revenues or Revenue Sharing Proceeds received by the Issuer from that level prevailing at the time the Issuer takes such action or enters into such agreement.

SECTION 5.08. FEDERAL INCOME TAX COVENANTS. (A) The Issuer covenants with the Holders of the Bonds (other than Taxable Bonds and Federal Subsidy Bonds) that it shall not use the proceeds of the Bonds in any manner which would cause the interest on the Bonds to be or become includable in gross income for purposes of federal income taxation.

(B) The Issuer covenants with the Holders of the Bonds (other than Taxable Bonds and Federal Subsidy Bonds) that neither the Issuer nor any Person under its control

or direction will make any use of the proceeds of the Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation.

(C) The Issuer hereby covenants with the Holders of the Bonds (other than Taxable Bonds and Federal Subsidy Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

SECTION 5.09. COVENANTS RELATING TO FEDERAL SUBSIDY BONDS. The Issuer covenants with respect to any Bonds issued as Federal Subsidy Bonds that it will:

(A) File, on a timely basis, Internal Revenue Service Form 8038-CP or such other form or forms required by the United States Department of Treasury to receive Federal Subsidy Payments in connection with any Bonds issued as Federal Subsidy Bonds.

(B) Deposit promptly the Federal Subsidy Payments received from the United States Department of Treasury, if any, to the Interest Account of the Debt Service Fund to pay interest on the Federal Subsidy Bonds.

(C) Comply with all provisions of the Code, all Treasury Regulations promulgated thereunder, and any applicable notice, ruling or other formal interpretation issued by the United States Department of Treasury or the Internal Revenue Service, in order for the Bonds issued as Federal Subsidy Bonds to be and to remain Federal Subsidy Bonds.

(D) Not take any action, or fail to take any action, if any such action or failure to take such action would adversely affect the Issuer's receipt of Federal Subsidy Payments or the status of the Bonds issued as Federal Subsidy Bonds, or any portion thereof, as Federal Subsidy Bonds. The Issuer covenants that it will not directly or indirectly use or permit the use of any proceeds of Bonds issued as Federal Subsidy Bonds or any other of its funds or take or omit to take any action that would cause the Bonds issued as Federal Subsidy Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) or to fail to meet any other applicable requirements of the Code.

ARTICLE VI
DEFAULTS AND REMEDIES

SECTION 6.01. EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

(A) Default shall be made in the payment of the principal of Amortization Installment, redemption premium or interest on any Bond when due. In determining whether a payment default has occurred, no effect shall be given to payment made under a Bond Insurance Policy.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the Council by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of 90 days after written notice of such default shall have been received from the Holders of not less than 25% of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the Issuer shall not be deemed to be in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until default has been corrected; provided, however, no such curative action shall exceed 90 days without the prior written consent of the Insurers.

SECTION 6.02. REMEDIES. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable without the consent of any affected Insurers except to the extent the acceleration of any Bonds that bear interest at a variable rate and that are secured by a Credit Facility is provided for in a Supplemental Resolution, the provisions of which are approved by the Insurers.

The Holder or Holders of Bonds in an aggregate principal amount of not less than 25% of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the City Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of such appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

SECTION 6.03. DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS. The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring any then Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Series of Bonds owned by such Holders or insured by such Insurer, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 6.04. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 6.05. WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 6.06. APPLICATION OF MONEYS AFTER DEFAULT. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds (except as for amounts in

the subaccounts of the Reserve Account which shall be applied to the payment of the Series of Bonds for which they were established) as follows and in the following order:

A. To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver and Registrar hereunder;

B. To the payment of the interest (including Hedge Payments) and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest (including Hedge Payments) then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest (including Hedge Payments) then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

C. To the payment of all amounts owed to the Insurers not covered by A or B above and all amounts owed to Counterparties not covered by A or B above.

SECTION 6.07. CONTROL BY INSURER. To the extent an Insurer makes any payment of principal of or interest on Bonds in accordance with its Bond Insurance Policy, such Insurer shall become subrogated to the rights of the recipients of such payments in accordance with the terms of its Bond Insurance Policy. Upon the occurrence and continuance of an Event of Default, an Insurer of a Series of Bonds, if such Insurer shall not be in payment default under its Bond Insurance Policy, shall be deemed to be the sole owner of such Bonds for purposes of (A) directing and controlling the enforcement of all rights and remedies with respect to such Series of Bonds, including any waiver of an Event of Default and removal of any trustee, and (B) exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of such Bonds are entitled to take pursuant to this Article VI hereof. No provision expressly recognizing or granting rights in or to an Insurer shall be modified without the consent of such Insurer. An Insurer's rights under this Section 6.07 shall be suspended during any period in which such Insurer is in default in its payment obligations under its Bond Insurance Policy (except to the extent of amounts previously paid by such Insurer and due and owing to such Insurer) and shall be of no force or effect if its Bond Insurance Policy is no longer in effect or if the Insurer asserts that its Bond Insurance Policy is not in effect or if the Insurer waives such rights in writing. The rights granted to an Insurer under this Section 6.07 are granted in consideration of such Insurer issuing its Bond Insurance Policy. The Issuer shall provide each Insurer immediate notice of any Event of Default described in Section 6.01(A) hereof and notice of any other Event of Default occurring hereunder within 30 days of the occurrence thereof. Each Insurer of any Bonds hereunder shall be considered a third-party beneficiary to the Resolution with respect to such Bonds.

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**ARTICLE VII
SUPPLEMENTAL RESOLUTIONS**

SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolution shall thereafter form a part hereof) for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Sections 2.01 or 2.02 hereof, including the issuance of Additional Bonds, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To authorize Projects or to change or modify the description of any Project.

(G) To specify and determine matters necessary or desirable for the issuance of Variable Rate Bonds, Federal Subsidy Bonds or Capital Appreciation Bonds.

(H) To provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds.

(I) To make any other change that, in the opinion of the Issuer, would not materially adversely affect the interests of the Holders of the Bonds. In making such determination, the Issuer shall not take into consideration any Bond Insurance Policy.

SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS', INSURERS' AND CREDIT BANKS' CONSENTS. Subject to the terms and provisions contained in this Section 7.02 and Sections 7.01 and 7.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of any Credit Bank that has provided a Credit Facility and the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect if such Insurer and Credit Bank are not in payment default under their Bond Insurance Policy or Credit Facility, as the case may be. No Supplemental Resolution may be approved or adopted which shall permit or require, without the consent of all affected Bondholders, (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution, or except as otherwise permitted or provided hereby, which materially adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of separate subaccounts in the Reserve Account provided in Section 4.05(A)(4) hereof), or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurers or the Credit Banks of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure

shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Notwithstanding any other provision of this Section 7.02, Holders of Bonds shall be deemed to have provided consent pursuant to this Section 7.02 if the offering document for such Bonds expressly describes the Supplemental Resolution and the amendments to this Resolution contained therein and states by virtue of the Holders' purchase of such Bonds the Holders are deemed to have notice of, and consented to, such Supplemental Resolution and amendments.

SECTION 7.03. AMENDMENT WITH CONSENT OF INSURERS AND CREDIT BANKS ONLY. For purposes of amending this Resolution pursuant to Section 7.02 hereof, an Insurer of Bonds and the Credit Bank providing a Credit Facility shall be considered the Holder of such Bonds which it has insured or provided a Credit Facility; provided that such Insurer and Credit Bank is not in default with respect to its obligations under its Bond Insurance Policy or Credit Facility, and the consent of the Holders of such Bonds shall not be required if the Insurer of such Bonds and any such Credit Bank shall consent to the amendment as provided by this Section 7.03. At least 15 days prior to adoption of any amendment made pursuant to this Section 7.03, notice of such amendment

shall be delivered to the Rating Agencies then rating the Bonds. Upon filing with the Clerk of evidence of such consent the Insurers and Credit Banks as aforesaid, the Issuer may adopt such Supplemental Resolution. After the adoption by the Issuer of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 7.03 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in Clauses (A), (B), (C), (D) or (E) in the first paragraph of Section 7.02 hereof.

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ARTICLE VIII DEFEASANCE

SECTION 8.01. DEFEASANCE. If (A) the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Series of Bonds the principal and interest or Redemption Price due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, and (B) the Issuer shall pay all Policy Costs owing to any provider of a Reserve Account Letter of Credit or Reserve Account Insurance Policy and all amounts owing to the Insurers, then all covenants, agreements and other obligations of the Issuer to the holders of such Series of Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for payment or redemption of any Series of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 8.01 if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (ii) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant to be in such amount that the principal of and the interest on or redemption price which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of and interest due and to become due on said Bonds on and prior to the maturity date thereof. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or redemption price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or redemption price of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of maturity; provided, however, the Issuer may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on or redemption price of the refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to

the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 8.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution. If adequate provision cannot be made, then such Variable Rate Bonds may not be defeased under this Section 8.01.

If Bonds are not to be redeemed or paid within 60 days after any such defeasance described in this Section 8.01, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity date upon which moneys are to be available for the payment of the principal of and interest on or redemption price of said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 8.01.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

Notwithstanding anything herein to the contrary, in the event that the principal of or interest due on the Bonds shall be paid by an Insurer or Insurers, such Bonds shall remain Outstanding, shall not be defeased or otherwise satisfied and shall not be considered paid by the Issuer, and the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the Bondholders shall continue to exist and such Insurer or Insurers shall be subrogated to the rights of such Bondholders.

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**ARTICLE IX
PROVISIONS RELATING TO SERIES 2021 BONDS**

SECTION 9.01. CONDITIONS TO EXECUTION OF PURCHASE CONTRACT. The Purchase Contract described in Section 2.02 hereof shall not be executed by the City Manager until such time as all of the following conditions have been satisfied:

(A) Receipt by the City Manager of a written offer to purchase the Series 2021 Bonds by the Underwriters substantially in the form of the Purchase Contract attached hereto as Exhibit B, said offer to provide for, among other things, (i) not exceeding \$55,000,000 aggregate principal amount of Series 2021 Bonds, (ii) an underwriting discount (including management fee and expenses) not in excess of 0.30% of the aggregate par amount of the Series 2021 Bonds, (iii) a true interest cost with respect to the Series 2021 Bonds of no more than 3.50%, as determined by the Financial Advisor, (iv) net present value debt service savings of no less than 3.00% of the principal amount of the Refunded Bonds, as determined by the Financial Advisor, and (v) the maturities of the Series 2021 Bonds with the final maturity being not later than September 1, 2051.

(B) With respect to optional redemption terms, if any, for the Series 2021 Bonds, the first optional redemption date may be no later than September 1, 2031 and there shall be no call premium. Term Bonds may be established for the Series 2021 Bonds with such Amortization Installments as the City Manager may determine upon the advice of the Financial Advisor.

(C) Receipt by the City Manager of a disclosure statement and a truth-in-bonding statement of the Underwriters dated the date of the Purchase Contract and complying with Section 218.385, Florida Statutes.

(D) Receipt by the City Manager from the Underwriters of a good faith deposit in an amount at least equal to 1.00% of the preliminary aggregate principal amount of the Series 2021 Bonds set forth on the cover page of the hereinafter described Preliminary Official Statement.

Upon satisfaction of all the requirements set forth in this Section 9.01, the City Manager is authorized to execute and deliver the Purchase Contract containing terms complying with the provisions of this Section 9.01 and the Series 2021 Bonds shall be sold to the Underwriters pursuant to the provisions of such Purchase Contract.

SECTION 9.02. REDEMPTION PROVISIONS. The Series 2021 Bonds may be redeemed prior to their respective maturities as may be determined by the City Manager, in his discretion and upon the advice of the Financial Advisor, subject to the conditions contained in Section 9.01 hereof and as described in the Purchase Contract. The

City Manager may, in his discretion, and upon the advice of the Financial Advisor, determine that any of the Series 2021 Bonds shall not be subject to redemption prior to their respective maturities. The City Manager, upon the advice of the Financial Advisor, may determine whether any of the Series 2021 Bonds shall be Term Bonds and the Amortization Installments with respect thereto.

SECTION 9.03. BOOK-ENTRY. Notwithstanding the provisions set forth in Section 2.07 hereof, the Series 2021 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2021 Bond for each of the maturities of the Series 2021 Bonds. Upon initial issuance, the ownership of each such Series 2021 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Series 2021 Bonds shall be registered in the name of Cede & Co., all payments on the Series 2021 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Bondholder of the Series 2021 Bonds.

With respect to Series 2021 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (a "Participant"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2021 Bonds, (B) the delivery to any Participant or any other person other than a Series 2021 Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2021 Bonds, or (C) the payment to any Participant or any other person, other than a Series 2021 Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal or interest of the Series 2021 Bonds. The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2021 Bond is registered in the registration books kept by the Registrar as the Bondholder and absolute owner of such Series 2021 Bond for the purpose of payment of principal or interest with respect to such Series 2021 Bond, for the purpose of giving notices and other matters with respect to such Series 2021 Bond, for the purpose of registering transfers with respect to such Series 2021 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal or interest of the Series 2021 Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and in the Resolution and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal or interest of the Series 2021 Bonds to the extent of the sum or sums so paid. No person other than a Series 2021 Bondholder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2021 Bond evidencing the obligation of the Issuer to make payments of

principal or interest pursuant to the provisions hereof. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in the Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the outstanding Series 2021 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2021 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer, in its sole discretion, that such book-entry only system should be discontinued by the Issuer, the Series 2021 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but shall be registered in whatever name or names Bondholders shall designate, in accordance with the provisions of the Resolution. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Series 2021 Bonds consistent with the terms of the Resolution, in denominations of \$5,000 or any integral multiple thereof to the holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the existing Blanket Issuer Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal and interest on the Series 2021 Bonds.

SECTION 9.04 APPLICATION OF SERIES 2021 BOND PROCEEDS.

Subject in all respects to the satisfaction of the conditions set forth in Section 9.01 hereof, the proceeds derived from the sale of the Series 2021 Bonds shall be applied by the Issuer simultaneously with the delivery thereof as follows:

(A) A sufficient amount of Series 2021 Bond proceeds shall be deposited to the Series 2021 Project Account of the Construction Fund and shall be applied in accordance with the provisions hereof to pay Costs of the acquisition, construction, and equipping of the Series 2021 Project. Such deposited amounts may be used to reimburse the Issuer for any moneys previously expended by the issuer for Costs of the Series 2021 Project so long as the Issuer complies with the applicable provisions of the Code regarding reimbursement.

(B) A sufficient amount of the Series 2021 Bond proceeds shall be deposited to the escrow deposit trust fund created under the Escrow Agreement to refund and legally defease the Refunded Bonds.

(C) The remainder of the proceeds of the Series 2021 Bond shall be applied to the payment of costs and expenses relating to the issuance of the Series 2021 Bond.

SECTION 9.05. PRELIMINARY OFFICIAL STATEMENT. The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit C in connection with offering the Series 2021 Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the City Manager is hereby authorized to approve such insertions, changes and modifications. Any Authorized Issuer Officer is each hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") in the form as mailed. Execution of a certificate by an Authorized Issuer Officer deeming the Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

SECTION 9.06. OFFICIAL STATEMENT. Subject in all respects with the satisfaction of the conditions set forth in Section 9.01 hereof, the Mayor, the City Clerk and the Chief Financial Officer are hereby authorized and directed to execute and deliver a final Official Statement, dated the date of the execution of the Purchase Contract, which shall be in substantially the form of the Preliminary Official Statement, in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions and additions as may be approved by the Mayor, the City Clerk and the Chief Financial Officer. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Mayor, the City Clerk and the Chief Financial Officer, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2021 Bonds to the public. Execution by the Mayor, the City Clerk and the Chief Financial Officer of the Official Statement shall be deemed to be conclusive evidence of the approval of such changes.

SECTION 9.07. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Subject in all respects with the satisfaction of the conditions set forth in Section 9.01 hereof, The Bank of New York Mellon Trust Company, N.A., is hereby designated Registrar and Paying Agent for the Series 2021 Bonds. The City Manager is hereby authorized to execute and deliver and the Clerk is authorized to attest any agreements prepared by Bond Counsel and reviewed by the City Attorney that are necessary to engage the Paying Agent and Registrar.

SECTION 9.08. AUTHORIZATION OF ESCROW AGREEMENT; APPOINTMENT OF ESCROW AGENT; AUTHORIZATION OF ESCROW SECURITIES. Subject in all respects to the satisfaction of the conditions set forth in Section 9.01 hereof, the Issuer hereby authorizes the City Manager to execute and the City

Clerk to attest the Escrow Agreement and to deliver the Escrow Deposit Agreement to The Bank of New York Mellon Trust Company, N.A., which is hereby appointed as Escrow Agent thereunder. All of the provisions of the Escrow Agreement when executed and delivered by the Issuer as authorized herein and when duly authorized, executed and delivered by the Escrow Agent, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein, and the Escrow Agreement shall be in substantially the form attached hereto as Exhibit E, with such changes, amendments, modifications, omissions and additions, as may be approved by the City Manager. Execution by the City Manager of the Escrow Agreement shall be deemed to be conclusive evidence of the approval of such changes. The Escrow Agent, the Financial Advisor and Bond Counsel are authorized to take such action as is necessary to procure United States Treasury Obligations to fund the escrow deposit trust fund to the extent the City Manager, upon the advice of the Financial Advisor, determines it is cost effective to so purchase such United States Treasury Obligations. The City Manager may also determine, upon the advice of the Financial Advisor, to fund the escrow deposit trust fund with uninvested cash.

SECTION 9.09. SECONDARY MARKET DISCLOSURE. Subject in all respects to the satisfaction of the conditions set forth in Section 9.01 hereof, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer and dated the dated date of the Series 2021 Bonds, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form of Exhibit D hereto with such changes, amendments, modifications, omissions and additions as shall be approved by the City Manager who is hereby authorized to execute and deliver such Agreement. Notwithstanding any other provision of the Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an Event of Default under the Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Series 2021 Bondholder for the enforcement of the provisions of the Continuing Disclosure Certificate shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 9.09 and the Continuing Disclosure Certificate. For purposes of this Section 9.09, "Series 2021 Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2021 Bonds (including persons holding such Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any such Bond for federal income tax purposes. Digital Assurance Certification, L.L.C. is hereby appointed as the initial dissemination agent for the Series 2021 Bonds.

SECTION 9.10. GENERAL AUTHORITY. The City Manager, the Mayor, the members of the Council, the City Clerk, the Chief Financial Officer and the officers,

attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution, the Official Statement, the Continuing Disclosure Certificate, the Escrow Agreement or the Purchase Contract or desirable or consistent with the requirements hereof, the Official Statement, the Continuing Disclosure Certificate, the Escrow Agreement or the Purchase Contract for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2021 Bonds, the Continuing Disclosure Certificate, the Escrow Agreement and the Purchase Contract and each member, employee, attorney and officer of the Issuer, the City Manager, the Mayor, the City Clerk, and the Chief Financial Officer is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder. To the extent the City Manager is unable or unavailable to perform any obligation or duty hereunder, the Issuer's Assistant City Manager or the Chief Financial Officer is authorized to act on his behalf. To the extent that the City Clerk is unable or unavailable to perform any obligation or duty hereunder, any Deputy or Assistant City Clerk is authorized to act on her behalf.

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**ARTICLE X
MISCELLANEOUS**

SECTION 10.01. CAPITAL APPRECIATION BONDS. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Issuer or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 10.02. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 10.03. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 10.04. VALIDATION AUTHORIZED. To the extent deemed necessary by Bond Counsel or desirable by the City Attorney, Bond Counsel is authorized to institute appropriate proceedings for validation of a Series of Bonds herein authorized pursuant to Chapter 75, Florida Statutes.

SECTION 10.05. REPEAL OF INCONSISTENT RESOLUTIONS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

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SECTION 10.06. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED by the Council of the City of Port St. Lucie, Florida this 23rd day of August, 2021.

COUNCIL
CITY OF PORT ST. LUCIE

By: _____
Shannon M. Martin, Vice Mayor

ATTEST:

Sally Walsh, City Clerk

APPROVED AS TO FORM: _____
City Attorney

EXHIBIT A

GENERAL DESCRIPTION OF THE SERIES 2021 PROJECT

The Series 2021 Project generally includes the following capital improvements, as more particularly described in the plans and specifications on file with the Issuer, as the same may be amended and supplemented from time to time:

- a new Public Works Building
- a new Police Training Facility
- Torino Regional Park Improvements
- Tradition Regional Park Improvements
- an Adaptive Traffic Signal Control System

EXHIBIT B

FORM OF PURCHASE CONTRACT

BOND PURCHASE CONTRACT

September [___], 2021

City of Port St. Lucie, Florida
121 S.W. Port St. Lucie Blvd.
Port St. Lucie, Florida 34984

Re: \$[_____] City of Port St. Lucie, Capital Improvement and Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”)

Ladies and Gentlemen:

PNC Capital Markets LLC (the “Senior Managing Underwriter”), acting on behalf of itself and in its capacity as agent and representative for Raymond James & Associates, Inc. (collectively, the “Underwriters”) offers to enter into this Bond Purchase Contract (the “Purchase Contract”) with the City of Port St. Lucie, Florida (the “Issuer”), which, upon the Issuer's acceptance hereof, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer's acceptance by execution of this Purchase Contract and its delivery to the Underwriters on or before 6:00 P.M., Port St. Lucie, Florida time, on the date hereof. Terms not otherwise defined herein shall have the same meanings ascribed to them in the Resolution and the Official Statement as each is described below.

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and covenants set forth herein, the Underwriters hereby agree to purchase from the Issuer for offering to the public, and the Issuer hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the aggregate principal amount of the \$[_____] City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”). If any of the Series 2021 Bonds are purchased pursuant to this Purchase Contract, the Underwriters are obligated to purchase all of the Series 2021 Bonds. The aggregate purchase price of the Series 2021 Bonds (the “Purchase Price”) shall be \$[_____] (calculated as \$[_____] principal amount of the Series 2021 Bonds, [plus][[less] [net] original issue [premium][discount] of \$[_____] , less an Underwriters’ discount of \$[_____]). The Purchase Price shall be payable to the Issuer on the Closing Date (as such term is hereinafter defined), by wire transfer of federal funds as provided in Section 8 below.

2. Description and Purpose of the Bonds. The Series 2021 Bonds shall be issued pursuant to the Constitution and the laws of the State of Florida, including particularly Chapter 166, Florida Statutes, and Chapter 218, Parts II and VI, Florida Statutes, the Charter of the Issuer, Ordinance No. [_____] enacted by the City Council for the City of Port St. Lucie, Florida (the “City Council”) on August [23], 2021 (the “Ordinance”), and other applicable provisions of law

(collectively, the “Act”), and Resolution No. [____], adopted by the City Council on August [23], 2021 (the “Resolution”).

The Series 2021 Bonds are being issued[, together with other legally available funds,] to (i) acquire, construct and equip various capital improvements within the City, (ii) refund the City’s outstanding Sales Tax Revenue and Refunding Bonds, Series 2011 maturing on or after September 1, 2022 (the “Refunded Bonds”), and (iii) pay costs of issuing the Series 2021 Bonds[, including the premium for the Policy (defined below)].

The payment of the principal of, premium, if any, and interest on the Series 2021 Bonds shall be secured by a lien upon and pledge of the applicable Pledged Funds (as defined in the Resolution), in the manner and to the extent provided in the Resolution. The Series 2021 Bonds shall mature, bear interest and be subject to redemption as set forth in Exhibit A attached hereto, and have all such other terms and provisions, as set forth in the Resolution and as described in the Official Statement (as hereinafter defined). The information required by Section 218.385(6), Florida Statutes, to be provided by the Underwriters is set forth in Exhibit B attached hereto. Further, in order to assist the Issuer in complying with Section 218.385(2) and (3), Florida Statutes, the Senior Managing Underwriter is providing the Issuer with a completed truth-in-bonding statement, the form of which is attached to Exhibit B as Schedule I. The Issuer, by its acceptance hereof, accepts such disclosure and agrees that it does not require any further disclosure from the Underwriters prior to the delivery of the Series 2021 Bonds with regard to the matters set forth in Section 218.385, Florida Statutes.

[____ (the “Insurer”) will, concurrently with the issuance of the Series 2021 Bonds, issue a municipal bond insurance policy (the “Policy”) guaranteeing the scheduled payment of principal of and interest on the Series 2021 Bonds maturing ____ 1, 20__ through and including ____ 1, 20__ (collectively, the “Insured Series 2021 Bonds”), when due.]

3. Good Faith Deposit. Upon execution of this Purchase Contract, the Senior Managing Underwriter shall deliver to the Issuer a wire transfer credited to the order of the Issuer in immediately available federal funds (the “Good Faith Deposit”) in the amount \$[____], calculated as 1% of the estimated principal amount of the Series 2021 Bonds as reflected in the Preliminary Official Statement (as defined below), as security for the performance by the Underwriters of their obligation to accept and pay for the Series 2021 Bonds on the Closing Date in accordance with the provisions of this Purchase Contract. In the event the Issuer does not accept this offer, the Good Faith Deposit shall be immediately returned to the Senior Managing Underwriter by wire transfer of federal funds credited to the order of the Senior Managing Underwriter, in the amount of the Good Faith Deposit. If the offer made hereby is accepted, the amount of the Good Faith Deposit shall be credited against the Purchase Price pursuant to Section 8 hereof. In the event of failure by the Issuer to deliver the Series 2021 Bonds at the Closing, or

if the Issuer shall be unable to satisfy the conditions of the Closing contained herein, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, the Issuer shall immediately wire to the Senior Managing Underwriter in federal funds the amount of the Good Faith Deposit (without any investment earnings thereon), and such return shall constitute a full release and discharge of any claims the Underwriters may have against the Issuer arising out of the transactions contemplated hereby. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2021 Bonds at the Closing as herein provided, the amount of the Good Faith Deposit shall be retained by the Issuer as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and the Issuer's collection and retention of the Good Faith Deposit shall constitute a full release and discharge of all claims by the Issuer against the Underwriters arising out of the transactions contemplated hereby.

4. Delivery of Official Statement and Other Documents.

(a) Prior to the date hereof, the Issuer has prepared for use in connection with the public offering, sale and distribution of the Series 2021 Bonds, and has provided to the Underwriters for their review, the Preliminary Official Statement dated [____], 2021 (including the cover page, inside cover pages and appendices thereto, the "Preliminary Official Statement"). 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 Series 2021 Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (the "Rule"). Such Preliminary Official Statement, as amended to delete preliminary language and reflect the final terms of the Series 2021 Bonds together with such supplements and amendments as approved by the Issuer and agreed to by the Senior Managing Underwriter, is herein referred to as the "Official Statement."

(b) The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriters, within seven (7) business days after the date hereof or within such shorter period as may be reasonably requested by the Underwriters, and in no event later than required to enable the Underwriters to comply with its responsibilities under applicable rules of the Municipal Securities Rulemaking Board ("MSRB"): (i) sufficient copies of the Official Statement to enable the Underwriters to fulfill their obligations pursuant to the securities laws of the State of Florida and the United States, in form and substance satisfactory to the Underwriters, and (ii) an executed original counterpart or certified copy of the Official Statement at Closing. In determining whether the number of copies to be delivered by the Issuer are reasonably necessary, at a minimum, the number shall be sufficient to enable the Underwriters to comply with the requirements of the Rule, all applicable rules of the MSRB, and to fulfill their duties and responsibilities under Florida and federal securities laws generally.

(c) The Senior Managing Underwriter agrees to file the Official Statement with the Electronic Municipal Market Access system (“EMMA”) (accompanied by a completed Form G-32) by the date of Closing. The filing of the Official Statement with EMMA shall be in accordance with the terms and conditions applicable to EMMA.

(d) From the date hereof until the earlier of (i) ninety days from the “end of the underwriting period” (as defined in the Rule), or (ii) the time when the Official Statement is available to any person from the MSRB (but in no case less than twenty-five (25) days following the end of the underwriting period), if any event occurs or a condition or circumstance exists which may make it necessary to amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriters (and for the purposes of this clause provide the Underwriters with such information as they may from time to time request) and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Senior Managing Underwriter, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the Issuer, at its expense, promptly will prepare an appropriate amendment or supplement thereto, in a form and in a manner reasonably approved by the Senior Managing Underwriter (and file, or cause to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of the Series 2021 Bonds) so that the statements in the Official Statement, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Issuer will promptly notify the Underwriters of the occurrence of any event of which it has knowledge or the discovery of such conditions or circumstance, which, in its reasonable opinion, is an event described in the preceding sentence. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Senior Managing Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) (i) The Underwriters agree to make a bona fide public offering of substantially all of the Series 2021 Bonds to the public at initial public offering prices not greater than (or yields not less than) the initial public offering prices (or yields) set forth in Exhibit A hereto, provided, however, that the Underwriters reserve the right to make concessions to certain dealers, certain dealer banks and banks acting as agents and to change such initial public offering prices as the Underwriters shall deem necessary in connection with the marketing of the Series 2021 Bonds.

(ii) The Senior Managing Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2021 Bonds and shall execute and deliver to the

Issuer at Closing an “issue price” or similar certificate substantially in the form attached hereto as Exhibit C, together with the supporting pricing wires or equivalent communications, with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Senior Managing Underwriter, the Issuer and Nabors, Giblin & Nickerson, P.A., as bond counsel (the “Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2021 Bonds.

(iii) Except as set forth in Schedule A to Exhibit C attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Series 2021 Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Senior Managing Underwriter shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of the Series 2021 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2021 Bonds, the Senior Managing Underwriter agrees to promptly report to the Issuer the prices at which the Series 2021 Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2021 Bonds of that maturity or until all Series 2021 Bonds of that maturity have been sold to the public, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel. For purposes of this Section, if Series 2021 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2021 Bonds.

(iv) The Senior Managing Underwriter confirms that the Underwriters have offered the Series 2021 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Schedule A to Exhibit C also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2021 Bonds for which the 10% test has not been satisfied and for which the Issuer and the Senior Managing Underwriter, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2021 Bonds, the Underwriters will neither offer nor sell unsold Series 2021 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (1) the close of the fifth (5th) business

day after the sale date; or (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2021 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Senior Managing Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2021 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Issuer acknowledges that, in making the representation set forth in this subsection, the Senior Managing Underwriter will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2021 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2021 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. Subject to compliance with the provisions of subsection (v) below, the Issuer further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2021 Bonds.

(v) The Senior Managing Underwriter confirms that:

(1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Senior Managing Underwriter is a party) relating to the initial sale of the Series 2021 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2021 Bonds of each maturity allotted to it until it is notified by the Senior Managing Underwriter that either the 10% test has been satisfied as to the Series 2021 Bonds of that maturity or all Series 2021 Bonds of that maturity have been sold to

the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Senior Managing Underwriter and as set forth in the related pricing wires, and

(2) any agreement among underwriters relating to the initial sale of the Series 2021 Bonds to the public (as such term is defined below), together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2021 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2021 Bonds of each maturity allotted to it until it is notified by the Senior Managing Underwriter or the Underwriter that either the 10% test has been satisfied as to the Series 2021 Bonds of that maturity or all Series 2021 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Senior Managing Underwriter or the Underwriter and as set forth in the related pricing wires.

(vi) The Underwriters acknowledge that sales of any Series 2021 Bonds to any person that is a related party to the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this Section:

(1) “public” means any person other than an underwriter or a related party;

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2021 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2021 Bonds to the public);

(3) a purchaser of any of the Series 2021 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both

entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) “sale date” means the date of execution of this Purchase Contract by all parties.

(f) The Issuer hereby authorizes the Underwriters to use the forms or copies of the Resolution, the Escrow Deposit Agreement (the “Escrow Deposit Agreement”) between the Issuer and [_____] (the “Escrow Agent”), the Continuing Disclosure Certificate related to the Series 2021 Bonds (the “Continuing Disclosure Certificate”) and the Official Statement and the information contained therein in connection with the public offering and sale of the Series 2021 Bonds and ratifies and confirms its authorization of the distribution and use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with such public offering and sale. The Underwriters agree that they will not confirm the sale of any Series 2021 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Official Statement. The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form. The Senior Managing Underwriter shall notify the Issuer of the occurrence of the “end of the underwriting period”, as such term is defined in the Rule, and of the passage of the date after which the Underwriters no longer remain obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule.

5. Representation of the Underwriters as to Authority. The Senior Managing Underwriter is duly authorized to execute this Purchase Contract on behalf of the Underwriters and has been duly authorized to act hereunder in connection with the issuance of the Series 2021 Bonds.

6. Underwriters not Acting as Agents or Fiduciaries. The Issuer acknowledges and agrees that (i) the purchase and sale of the Series 2021 Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Issuer and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as municipal advisors, financial advisors, agents or fiduciaries to the Issuer, (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters or any of their respective affiliates have provided other services or is currently providing other services to the Issuer on other matters) and

the Underwriters have no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriters have financial and other interests that differ from those of the Issuer and (iv) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

7. Representations, Warranties and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer has reviewed the information in the Preliminary Official Statement. Except for information which is permitted to be omitted pursuant to the Rule, the Preliminary Official Statement (excluding the information regarding DTC and its book-entry system of registration and the information regarding the Underwriters and their affiliates under the heading “UNDERWRITING,” as to which no representations or warranties are made), as of its date was true and correct in all material respects and did not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The Official Statement (excluding the information regarding DTC and its book-entry only system of registration and the information regarding the Underwriters and their affiliates under the heading “UNDERWRITING,” as to which no representations or warranties are made) is, as of its date and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Purchase Contract) at all times subsequent thereto during the period up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) The Issuer is, and will be on the Closing Date, a duly organized and validly existing municipal corporation under the laws of the State of Florida, with the powers and authority set forth in the Act and with full legal right, power and authority to enact the Resolution, to issue, sell and deliver the Series 2021 Bonds to the Underwriters as provided herein, to refund the Refunded Bonds, to pledge the Pledged Funds as provided in the Resolution, and to execute, deliver and perform its obligations, as the case may be, under this Purchase Contract, the Resolution, the Series 2021 Bonds, the Escrow Deposit Agreement, and the Continuing Disclosure Certificate (collectively, the “Issuer Documents”), and to otherwise carry out the transactions contemplated by each of the Issuer Documents and the Official Statement.

(d) The Issuer has duly adopted the Resolution in accordance with the Act, and the Resolution is in full force and effect and has not been amended, modified or repealed since [August 23], 2021. Concurrently with or prior to the acceptance hereof, the Issuer has (i) duly

authorized and approved the execution and delivery of the Series 2021 Bonds and the Issuer Documents, (ii) duly authorized and approved the Official Statement and the distribution thereof and has deemed the Preliminary Official Statement as of its date to be “final” for purposes of the Rule, (iii) duly authorized and approved the sale of the Series 2021 Bonds to the Underwriters, (iv) duly authorized the refunding of the Refunded Bonds; and (v) duly authorized and approved the consummation by the Issuer of all other transactions contemplated by the Official Statement and this Purchase Contract. The Issuer Documents, when executed by the Issuer and assuming the due authorization and execution by the other parties thereto, if any, will each constitute the legal, valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors’ rights and remedies generally and to general principles of equity.

(e) As of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the Issuer is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States relating to the Issuer or any applicable judgment or decree or any trust agreement, loan agreement, indenture, bond, note, resolution, ordinance, certificate, agreement or other instrument to which the Issuer is a party or to which the Issuer or its assets is 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; the consequence of any of which or the correction of any of which would materially and adversely affect the operations or financial condition of the Issuer, or the collection or application of Pledged Funds as of such dates; and, as of such times and except as disclosed in the Official Statement, the execution and delivery of the Series 2021 Bonds, the Issuer Documents and the enactment of the Resolution and compliance with the provisions on the Issuer’s part contained in each such document do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States or a breach of any applicable judgment, decree, trust agreement, loan agreement, indenture, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or to which the Issuer or its assets is otherwise subject, nor will such enactment, adoption, execution, delivery, authorization 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, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution. The Issuer has not, as of the date hereof or as of the Closing Date, failed to pay principal (and premium, if any) or interest when due on any of its outstanding indebtedness.

(f) On the Closing Date, all approvals, authorizations, 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 Resolution or the other Issuer Documents will have been duly obtained.

(g) 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, including the Pledged Funds as of the dates and for the periods therein set forth, and there are no material liabilities, contingent or otherwise, of the Issuer that have not been disclosed in the Official Statement. The Issuer is not a party to any litigation or other proceedings 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.

(h) Except as described in the Official Statement, 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 having made due inquiry with respect thereto, threatened against the Issuer, affecting the existence of the Issuer or the titles of its members and officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2021 Bonds or the collection and receipt of any of the Pledged Funds or in any way contesting or affecting the validity or enforceability of the Series 2021 Bonds, the Issuer Documents or any other material agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement 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 Series 2021 Bonds, the adoption of the Resolution, 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 could materially adversely affect the validity or enforceability of the Series 2021 Bonds, the Resolution, the other Issuer Documents or any of them. The Issuer shall advise the Senior Managing Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Series 2021 Bonds.

(i) Between the date of this Purchase Contract and the Closing Date, the Issuer will not, without the prior written consent of the Senior Managing Underwriter, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, relating to the System and payable from or secured by the Pledged Funds.

(j) The Issuer has complied, and at the Closing will be in compliance, in all respects, with the terms of the Act and with the obligations on its part in connection with the issuance of the Series 2021 Bonds and contained in the Issuer Documents.

(k) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Contract, the Series 2021 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of the Issuer in conformity with the Act and the Resolution, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject to general principles of equity as to enforceability.

(l) The Issuer will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Series 2021 Bonds to be applied in a manner contrary to that provided for in the Resolution and as described in the Official Statement.

(m) Other than as described in the Official Statement, since December 31, 1975, and at all times subsequent thereto up to and including the Closing Date, the Issuer has not been and will not be in default with respect to payment of the principal of, or interest on, any bonds or other debt obligations that it has issued or will issue or that it has guaranteed or will guarantee (excluding bonds or other debt obligations for which it has served as a conduit issuer).

(n) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

(o) Except as disclosed in the Official Statement, within the last five (5) years, the Issuer has not failed to comply in all material respects with any continuing disclosure undertaking made by it pursuant to the Rule in connection with outstanding bond issues for which the Issuer has agreed to undertake continuing disclosure obligations.

(p) No representation or warranty by the Issuer in this Purchase Contract, nor any statement, certificate, document or exhibit furnished to or to be furnished by the Issuer pursuant to this Purchase Contract or the Official Statement or in connection with the transactions contemplated hereby contains, or will contain on the Closing Date, any untrue statement of material fact or omits or will omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

8. The Closing. At or before 1:00 p.m., New York time, on [____], 2021, or at such other time or on such earlier or later business day as shall have been agreed upon by the Issuer and the Senior Managing Underwriter (the "Closing" or the "Closing Date"), the Issuer shall deliver,

or cause to be delivered, subject to the terms and conditions hereof: (i) the Series 2021 Bonds, bearing proper CUSIP numbers, to the Senior Managing Underwriter, in definitive form, duly executed and authenticated by the Bond Registrar, via the FAST system as described below, and (ii) the closing documents hereinafter mentioned. The Underwriters, subject to the terms and conditions hereof, will accept such delivery and pay the Purchase Price as set forth in Section 1 hereof, less the amount of the Good Faith Deposit, by wire transfer of federal funds to the order of the Issuer. The Series 2021 Bonds shall bear proper CUSIP numbers and shall be in typewritten form, with a single bond for each maturity and interest rate of the Series 2021 Bonds, each such bond to be in a principal amount equal to the principal amount thereof maturing on each such date. The Series 2021 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, will be made available for inspection and checking by the Underwriters not later than 3:00 P.M., New York City time, on the business day prior to the Closing Date and will be delivered through the DTC FAST system.

9. Closing Conditions. The Underwriters are entering into this Purchase Contract in reliance upon the representations, warranties, covenants and agreements of the Issuer contained herein, and in reliance upon the representations, warranties, covenants 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 Closing Date. Accordingly, the Underwriters' obligations hereunder to purchase and pay for the Series 2021 Bonds shall be subject to the performance by the Issuer of its obligations to be performed hereunder and under such other documents and instruments to be delivered 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 Senior Managing Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects as of the date hereof and at the time of the Closing, as if made at the time of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing shall be true, complete and correct as of the Closing Date and the Issuer shall be in compliance with each of the agreements made by it in this Purchase Contract as of the Closing Date.

(b) At the time of the Closing (i) the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented after the date of this Purchase Contract except with the prior written approval of the Senior Managing Underwriter; (ii) the Issuer Documents shall each have been duly executed and delivered by the Issuer and the other parties thereto and shall not have been amended, modified or supplemented after the date of this Purchase Contract (other than to conform to the description contained in the Official Statement) except with the prior written approval of the Senior Managing Underwriter; and (iii) the Issuer shall perform

or have performed all of its obligations required under or specified in this Purchase Contract and the other Issuer Documents to be performed at or before the Closing.

(c) The Issuer shall not be in default in the payment of principal or interest on any of its bonds, notes, or other debt obligations.

(d) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in Pledged Funds or operations of the Issuer, from that set forth in the Official Statement that, in the reasonable judgment of the Senior Managing Underwriter, is material and adverse and that makes it, in the judgment of the Senior Managing Underwriter, impracticable to market the Series 2021 Bonds on the terms and in the manner contemplated in the Official Statement.

(e) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transaction contemplated by this Purchase Contract shall be reasonably satisfactory in legal form and effect to the Senior Managing Underwriter.

(f) The Senior Managing Underwriter shall have the right to terminate this Purchase Contract by notification to the Issuer if, after the execution hereof and prior to the Closing any of the following events shall occur in the sole and reasonable judgment of the Senior Managing Underwriter:

(i) An event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein in the light of the circumstances under which they were made not misleading in any material respect and, in either such event, (1) the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Senior Managing Underwriter, or (2) the effect of the Official Statement as so supplemented is, in the reasonable judgment of the Senior Managing Underwriter, to materially adversely affect the market price or marketability of the Series 2021 Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2021 Bonds; or

(ii) Legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by Florida, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority

member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff of such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the federal or state taxation of interest received on obligations of the general character of the Series 2021 Bonds which, in the reasonable judgment of the Senior Managing Underwriter, materially adversely affects the market price or marketability of the Series 2021 Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2021 Bonds; or

(iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Series 2021 Bonds (including any related underlying obligations) is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended or the Trust Indenture Act of 1939, as amended; or

(iv) 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 Series 2021 Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the “Securities Act”), or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Series 2021 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; or

(v) there shall have occurred (1) any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war, or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations which, in the reasonable judgment of the Senior Managing Underwriter, materially adversely affects the market price or marketability of the Series 2021 Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2021 Bonds; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (1) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Series 2021 Bonds or similar obligations, or (2) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers which, in the reasonable judgment of the Senior Managing Underwriter, materially adversely affects the market price or marketability of the Series 2021 Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2021 Bonds; or

(vii) a general banking moratorium shall have been declared by federal or New York or Florida state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred which, in the reasonable judgment of the Senior Managing Underwriter, materially adversely affects the market price or the marketability for the Series 2021 Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2021 Bonds; or

(viii) a downgrading or suspension of any rating (without regard to credit enhancement) by S&P Global Ratings, a business unit of S&P Financial Services LLC (“S&P”) of any debt securities issued by the Issuer which are secured by the Pledged Funds, or there shall have been any official statement as to a possible downgrading (such as being placed on “credit watch” or “negative outlook” or any similar qualification) of any rating by S&P of any debt securities issued by the Issuer which are secured by the Pledged Funds, including the Series 2021 Bonds, which, in the reasonable judgment of the Senior Managing Underwriter, materially adversely affects the market price or marketability of

the Series 2021 Bonds or the ability of the Underwriters to enforce contracts for the sale, at the contemplated offering prices (or yields), of the Series 2021 Bonds.

(g) At or before the Closing, the Underwriters shall receive the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by its Mayor and City Clerk, or such other official as may have been agreed to by the Senior Managing Underwriter;

(2) Certified copies of the Ordinance and Resolution;

(3) Each of the other Issuer Documents, fully executed by the respective parties thereto;

(4) A copy of the Letter of Representations with DTC;

(5) The approving opinion of Bond Counsel, as to the Series 2021 Bonds, dated the Closing Date, substantially in the form attached to the Official Statement together with a letter of Bond Counsel addressed to the Underwriters, and dated the Closing Date, to the effect that such bond approving opinion may be relied upon by the Underwriters to the same extent as if such opinion were addressed to the Underwriters;

(6) A supplemental opinion of Bond Counsel, dated the Closing Date, addressed to the Underwriters, to the effect that, (i) the statements contained in the Official Statement under the captions “INTRODUCTION”, “THE REFUNDING PLAN”, “DESCRIPTION OF THE SERIES 2021 BONDS” (except for the information relating to DTC and its book-entry system of registration, as to which no view need be expressed), and “SECURITY FOR THE BONDS”, insofar as such information purports to summarize portions of the Resolution and the Series 2021 Bonds, constitute a fair summary of the information purported to be summarized therein. The statements contained under the caption “TAX MATTERS” are accurate statements or summaries of the matters therein set forth, (ii) the Bonds are exempt from registration under the Securities Act of 1933, as amended, (iii) the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (iv) to the effect that, in reliance on schedules provided by the Financial Advisor or the Underwriter, as verified by [_____] (the “Verification Agent”), the pledge of and lien created by the Bond Ordinance relating to the Refunded Bonds in favor of the holders of the Refunded Bonds, shall no longer be in effect.

(7) An opinion of James Stokes, Esquire, City Attorney, dated the Closing Date and addressed to the Underwriters, to the effect that:

(A) the Issuer is a municipal corporation of the State of Florida (The “State”), duly created, organized and validly existing under the laws of the State, and has full legal right, power and authority under the Act and the Resolution (1) to enter into, execute and deliver the Issuer Documents and all documents required hereunder and thereunder to be executed and delivered by the Issuer, (2) to sell, issue and deliver the Bonds to the Underwriters as provided herein, (3) to pledge the Pledged Funds as provided in the Resolution, (4) to refund the Refunded Bonds, and (5) 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 (1) the adoption of the Resolution and the issuance and sale of the Series 2021 Bonds, (2) 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, (3) the pledge of the Pledged Funds as provided in the Resolution, and (4) the consummation by it of all other transactions contemplated by the Official Statement, 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 Resolution was duly and validly adopted by the Issuer and is in full force and effect and has not been amended, modified or repealed; the Resolution and all other proceedings pertinent to the validity and enforceability of the Series 2021 Bonds and the receipt of the Pledged Funds and all Issuer required actions to receive all of the Pledged Funds have been duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the Issuer and in compliance with the Constitution and laws of the State, including the Act;

(D) The Issuer Documents have been duly authorized, executed and delivered by the Issuer, and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors’ rights; and the Series 2021 Bonds, when issued and delivered and paid for in accordance with the Resolution and this Purchase Contract, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Resolution 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 Series 2021 Bonds as aforesaid, the Resolution will provide, for the benefit of the holders, from time to time, of the Series 2021 Bonds, the covenant to do all things necessary or required on the Issuer's part by the Act or otherwise to entitle the Issuer to receive the Sales Tax Revenues and the Revenue Sharing Proceeds in the amounts currently provided under the Act, as set forth in the Resolution;

(E) the information in the Preliminary Official Statement, as of its date, and the Official Statement as of its date and the Closing Date under the captions "THE CITY" and "LITIGATION" was and is, as the case may be, true and complete in all material respects, and with respect to the other information in the Preliminary Official Statement and the Official Statement, based upon his review of the Preliminary Official Statement and the Official Statement as counsel to the Issuer and without having undertaken to determine independently the accuracy or completeness of the contents of such other portions of the Preliminary Official Statement and the Official Statement, he has no reason to believe that such other portions of Preliminary Official Statement, as of its date, and the Official Statement, as of its date and the Closing Date (in each case, except for the financial and statistical data contained therein and the information relating to DTC and its book-entry system of registration, as to which no view need be expressed) contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(F) the use of the Preliminary Official Statement by the Underwriters for the purpose of offering the Series 2021 Bonds for sale has been duly authorized and ratified by the Issuer;

(G) the Official Statement has been duly authorized, executed and delivered by the Issuer and the Issuer has consented to the use thereof by the Underwriters;

(H) the adoption of the Resolution and the authorization, execution and delivery of the Issuer Documents and the Series 2021 Bonds and compliance with the provisions hereof and thereof, will not conflict with, or constitute a breach of or default under, any constitutional provision, law or administrative regulation, or to the best of their knowledge, any consent decree, ordinance, resolution or any agreement or other instrument to which the Issuer was or is subject, as the case may be, nor will such adoption, execution, delivery, authorization 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, or under the terms of any law, administrative regulation, ordinance, resolution or instrument;

(I) to the best of my knowledge, all approvals, authorizations, licenses, permits, consents, and orders of any governmental authority, legislative body, board, agency or commission 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;

(J) except as disclosed in the Official Statement, 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 of my knowledge, threatened, against the Issuer, affecting the existence of the Issuer or the titles of its members and officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2021 Bonds or the collection and receipt of any of the Pledged Funds, or in any way contesting or affecting the validity or enforceability of the Series 2021 Bonds, the Issuer Documents or any other material agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement 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 Series 2021 Bonds, the adoption of the Resolution, or the execution and delivery of the Issuer Documents, nor, to the best of their knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2021 Bonds or the Issuer Documents;

(8) A certificate of the Issuer dated the Closing Date signed by its Mayor or Vice Mayor and City Manager or Assistant City Manager and attested to by the City Clerk, in form and substance satisfactory to the Senior Managing Underwriter, to the effect that (i) the representations, covenants, agreements and warranties of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (ii) except as disclosed in the Official Statement, no litigation or proceeding against it is pending or, to the best of his knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (A) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (B) contest the due organization and valid existence of the Issuer, (C) contest the validity, due authorization and execution of the Bonds or the Issuer Documents, (D) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from collecting Pledged Funds, (E) contest in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (F) which may result in any material adverse change in the business, properties, assets or financial condition of the Issuer; (iii) the Resolution was duly and validly adopted and is in full force and effect and has not been amended, modified or repealed; (iv) to the best of its knowledge, 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 disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing; (v) except for the information provided by DTC or the Underwriters (as to which no representations are made), the Preliminary Official Statement did not, as of its date, and the Official Statement did not as of its date, and does not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which such Official Statements are to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; and (vi) since September 30, 2020, no material adverse change has occurred in the financial position or results of the operations of the Issuer, except as disclosed in the Official Statement;

(9) Evidence that the rating agencies who have rated the Series 2021 Bonds have issued ratings of not lower than the respective ratings on the Series 2021 Bonds which are published in the Official Statement and that such ratings are in full force and effect as of the Closing Date;

(10) A certificate executed by the appropriate officer of the Issuer, delivered pursuant to Rule 15C2-12 under the Securities Exchange Act of 1934, deeming the Preliminary Official Statement to be final as of its date;

(11) An opinion of Disclosure Counsel, dated the Closing Date and addressed to the Issuer, together with a letter addressed to the Underwriters authorizing the Underwriters to rely upon the letter addressed to the Issuer, to the effect that in accordance with their understanding with the Issuer, as Disclosure Counsel such firm has rendered legal advice and assistance to the Issuer in the course of the preparation of the Official Statement; that assistance involved, among other things, inquiries concerning various legal and related matters, their review of certain records, documents and proceedings, participation in discussions with representatives of the Issuer, the Issuer's Financial Advisor, and others concerning the contents of the Official Statement and related matters; that in accordance with their understanding with the Issuer, they are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the contents of the Official Statement; that, however, they can advise that, in their capacity as Disclosure Counsel and on the basis of the information that has come to their attention, and in reliance on the certificates, opinions and documents they have reviewed in the course of their performance of the services referred to above, and without having undertaken to verify independently the accuracy, completeness or fairness of the contents of the Official Statement, nothing has come to their attention which leads them to believe that the Official Statement, as of its date and the Closing Date (in each case, excluding the financial and statistical data included in the Official Statement and the appendices thereto, and the information relating to The Depository Trust Company or its book-entry only system), as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(12) An opinion of Underwriters' Counsel, dated the Closing Date and addressed to the Underwriters, to the effect that: (i) the Series 2021 Bonds are not subject to the registration requirements of the Securities Act; (ii) based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel to the Underwriters and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, as of the Closing Date, nothing has come to the attention of such counsel that causes them to believe that the Preliminary Official Statement, as of its date, and the Official Statement as of its date and as of the Closing Date (in each case, excluding the financial statements, and the reports, financial and statistical data and forecasts included therein, and the information regarding DTC and its book-entry system of registration, as to all of which no opinion need be expressed) contained or contains any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and (iii) based upon their review of the appropriate documents regarding the Continuing Disclosure Certificate as it relates to continuing disclosure under the Rule, the requirements of the Rule have been satisfied;

(13) A Verification Report of the Verification Agent verifying the mathematical accuracy of the computations contained in the schedules prepared by the Financial Advisor with respect to the defeasance of the Refunded Bonds, if applicable, and the yield on the Series 2021 Bonds and the securities held under the Escrow Deposit Agreement;

(14) A certificate of the Escrow Agent, dated the Closing Date, in a form reasonably satisfactory to the Underwriters;

(15) A certificate of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, in its capacity as the Paying Agent, dated the Closing Date, in a form reasonably satisfactory to the Underwriters;

(16) A Blue Sky Memorandum, issued by Underwriters' Counsel [and];

(17) [A true and correct copy of the Policy insuring payment of the Insured Series 2021 Bonds; and]

(18) Such additional certificates, legal opinions, instruments, proceedings and other documents as the Underwriters or its counsel may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations of the Issuer, the compliance of the Issuer with legal requirements and the due performance or satisfaction by the Issuer on or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

By its execution of this Purchase Contract, the Issuer consents to the use by the Underwriters of the documents listed above, including specifically the Official Statement,

the Resolution and the information contained therein, in connection with the public sale of the Series 2021 Bonds.

If the Issuer shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and an amount equal to the Good Faith Deposit shall be returned by the Issuer to the Senior Managing Underwriter as provided in Section 3, and neither the Underwriters nor the Issuer shall be under further obligation hereunder except as expressly set forth in Sections 11(a), (b) and (c) below.

10. The Issuer covenants with the Underwriters to cooperate with them in qualifying the Series 2021 Bonds for offer and sale under the securities or “Blue Sky” laws of such states as the Underwriters may request; provided that in no event shall the Issuer be obligated to take any action which would subject it to general service of process in any state where it is not now so subject or qualify to do business in connection with any such qualification or determination in any jurisdiction. It is understood that the Issuer is not responsible for compliance with or the consequences of failure to comply with applicable “Blue Sky” laws, or for any expenses incurred in such compliance.

11. (a) The Issuer shall pay (i) the cost of the preparation and printing or other reproduction (for distribution on or prior to the date hereof) of the Official Statement; (ii) the fees and expenses of Bond Counsel, Disclosure Counsel, the Registrar, the Escrow Agent, the Verification Agent, and the Issuer's Financial Advisor, and any other experts or consultants retained by the Issuer; (iii) the costs and fees of the rating agencies; and (iv) out-of-pocket expenses of the Issuer. The Issuer shall reimburse the Underwriters for actual expenses incurred or paid by the Underwriters on behalf of the Issuer which are directly related to the marketing, issuance, and delivery of the Series 2021 Bonds, including, but not limited to, transportation, lodging, and meals for Issuer's employees and representatives; provided, however, that (x) reimbursement for such expenses shall not exceed an ordinary and reasonable amount for such expenses and (y) such expenses are not related to the entertainment of any person and not prohibited from being reimbursed from the proceeds of an offering of municipal securities under the MSRB's Rule G-20. Such reimbursement may be in the form of inclusion in the expense component of the Underwriter's discount. The provisions of this paragraph shall not obligate the Issuer to pay any fees or expenses that are contingent upon the occurrence of the Closing, unless a successful Closing occurs. The Issuer's obligations to pay expenses incurred by the Underwriters on behalf of the Issuer and its staff related to food and lodging survive even if the underlying transaction fails to close or consummate.

(b) The Underwriters shall pay expenses related to the initial purchase and sale of the Series 2021 Bonds as follows (which may be included as an expense component of the Underwriter's discount) (x) the cost of printing or other reproduction of this Purchase Contract and the cost of preparation and printing of the Blue Sky, if any, report to be used by them; (y) all advertising expense in connection with the public offering of the Series 2021 Bonds; and (z) all

other expenses incurred by them in connection with the public offering and distribution of the Series 2021 Bonds, including the fees and expenses of counsel retained by it.

(c) If the Series 2021 Bonds are sold to the Underwriters pursuant to this Purchase Contract, the Issuer shall pay, from the proceeds of the sale of the Series 2021 Bonds or from other funds available to it, the costs of issuance with respect to the Series 2021 Bonds, other than those set forth in Section 11(b) above. If the Issuer shall be unable to, or shall otherwise fail to, satisfy the conditions to the obligation of the Underwriters to purchase, accept delivery of, and pay for the Series 2021 Bonds pursuant to the terms of this Purchase Contract, or if the obligation of the Underwriters to purchase, accept delivery of and pay for the Series 2021 Bonds shall be terminated for any reason permitted by this Purchase Contract, then the Issuer shall reimburse the Underwriters for all out-of-pocket expenses (including the fees and expenses of its counsel) reasonably incurred by the Underwriters in connection with this Purchase Contract or the offering contemplated hereunder.

12. Any notice or other communication to be given to the Issuer under this Purchase Contract shall be given by delivering the same in writing to the Issuer at 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34894, Attention: City Manager. Any notice or other communication to be given to the Underwriters under this Purchase Contract shall be given by delivering the same in writing to PNC Capital Markets LLC, 201 N. Franklin Street, Suite 1500, Tampa, Florida 33602, Attention: Michael Olliff.

13. This Purchase Contract shall constitute the entire agreement between the Issuer and the Underwriters and is made solely for the benefit of the Issuer and the Underwriters (including their respective successors or assigns). No other person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the Issuer in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of any of the Underwriters, and (b) the delivery of and payment for the Series 2021 Bonds hereunder.

14. This Purchase Contract may not be amended without the written consent of the Issuer and the Senior Managing Underwriter.

15. The validity, interpretation and performance of this Purchase Contract shall be governed by the internal laws of the State of Florida, without regard to conflict of law principles.

IN WITNESS WHEREOF, the parties hereto have caused this Purchase Contract to be duly executed by their duly authorized officers as of the day and year first above written.

[Counterpart Signature Page to Bond Purchase Contract, dated [____] __, 2021]

PNC CAPITAL MARKETS LLC

By: _____

Name: Michael Olliff

Title: Managing Director

[Counterpart Signature Page to Bond Purchase Contract, dated [____] __, 2021]

Accepted:

CITY OF PORT ST. LUCIE, FLORIDA

By: _____
Russell D. Blackburn, City Manager

EXHIBIT A
MATURITY SCHEDULE
City of Port St. Lucie, Florida
Capital Improvement and Refunding Revenue Bonds,
Series 2021

\$[_____] Serial Series 2021 Bonds

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
2022	\$	%	%	
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				

\$[_____] , [_____] % Series 2021 Term Bond due September 1, [_____] *, Yield [_____] %, Price [_____]

\$[_____] , [_____] % Series 2021 Term Bond due September 1, [_____] *, Yield [_____] %, Price [_____]

*[Callable Premium Bonds; Yield and Price calculated to the first optional redemption date of [_____]]

REDEMPTION PROVISIONS

Optional Redemption. The Series 2021 Bonds maturing on or prior to September 1, [_____] are not subject to optional redemption prior to maturity. The Series 2021 Bonds maturing on or after September 1, [_____] shall be subject to redemption prior to their respective maturities, at the option of the City, on or after September 1, [_____] , as a whole or in part at any time, and if in part, by maturities to be selected by the City and by lot within a maturity if less than a full maturity, at a redemption price (plus accrued interest to the date fixed for redemption) equal to the principal amount thereof, without premium.

Mandatory Redemption. The Series 2021 Bonds maturing on September 1, [_____] are subject to mandatory redemption prior to their maturity in part by lot, at a redemption price of par plus accrued interest to the respective dates of redemption, but without premium, on the following dates and in the following principal amounts, from Amortization Installments required to be paid on such dates and in such amounts:

Date (September 1)	Principal Amount
	\$

*

*Final Maturity.

Mandatory Redemption. The Series 2021 Bonds maturing on September 1, [_____] are subject to mandatory redemption prior to their maturity in part by lot, at a redemption price of par plus accrued interest to the respective dates of redemption, but without premium, on the following dates and in the following principal amounts, from Amortization Installments required to be paid on such dates and in such amounts:

Date (September 1)	Principal Amount
	\$

*

*Final Maturity.

EXHIBIT B

**FORM OF DISCLOSURE LETTER PURSUANT TO
SECTION 218.385, FLORIDA STATUTES**

[____], 2021

City of Port St. Lucie, Florida
121 SW Port St. Lucie Boulevard
Port St. Lucie, Florida 34984

Re: City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue
Bonds, Series 2021

Ladies and Gentlemen:

In connection with the proposed issuance by the City of Port St. Lucie, Florida (the “Issuer”), of \$[____] aggregate principal amount of its Capital Improvement and Refunding Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) PNC Capital Markets LLC (the “Senior Managing Underwriter”), acting on behalf of itself and in its capacity as agent for Raymond James & Associates, Inc. (collectively, the “Underwriters”), has agreed to underwrite a public offering of the Series 2021 Bonds. Arrangements for underwriting the Series 2021 Bonds will include a Bond Purchase Contract (the “Purchase Contract”) between the Issuer and the Underwriters 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, certain information in respect of the arrangements contemplated for the underwriting of the Series 2021 Bonds as follows:

- (a) The underwriting spread, including the management fee, expected to be realized is as follows:

<u>ITEM</u>	<u>\$/1,000</u>	<u>AMOUNT</u>
Average Takedown	\$	\$
Underwriter’s Expenses	*	
Total Underwriting Spread	<u>\$*</u>	<u>\$</u>

*May not add due to rounding.

- (b) The nature and estimated amounts of expenses to be incurred by the Underwriters in connection with the purchase and offering of the Bonds are set forth in Schedule I attached hereto.
- (c) There are no “finders,” as defined in Section 218.386, Florida Statutes, who have been retained or who will be paid by the Underwriters in connection with the issuance of the Series 2021 Bonds.
- (d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Series 2021 Bonds to any person not regularly employed or retained by the Underwriters, except as specifically enumerated as expenses referred to in paragraph (a) above to be incurred by the Underwriters as set forth in Schedule I attached hereto.
- (e) The name and address of the Senior Managing Underwriter is set forth below:

PNC Capital Markets LLC
201 N. Franklin Street, Suite 1500
Tampa, Florida 33602
- (f) Based on representations of the Issuer, it is our understanding that the Issuer is proposing to issue \$[_____] in aggregate principal amount of the Series 2021 Bonds to (i) acquire construct and equip various capital improvements within the City, (ii) refund the City’s outstanding Sales Tax Revenue and Refunding Bonds, Series 2011 maturing on or after September 1, 2022, and (iii) pay costs of issuing the Series 2021 Bonds. The Series 2021 Bonds are expected to be repaid over a period of approximately [__] years. At a True Interest Cost of approximately [_____]%, total interest paid over the life of the Series 2021 Bonds will be \$[_____].
- (g) Based on representations of the Issuer, it is our understanding that the Series 2021 Bonds will be payable solely from the Pledged Funds in amounts sufficient to pay the principal of and interest on the Series 2021 Bonds, in the manner provided in the Resolution. The Series 2021 Bonds carry an average annual debt service of approximately \$[_____]. Assuming the Issuer pays debt service on the Series 2021 Bonds from the Pledged Funds, such funds equal to an average of \$[_____] that will not be available to finance the other services of the Issuer each year that the Series 2021 Bonds will be outstanding, which is approximately [__] years. Notwithstanding the foregoing, we are not accountants or actuaries, nor are we engaged in the practice of law. Accordingly, while we believe the above-described calculations to be correct, we do not warrant them to be so.

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

Very truly yours,

PNC CAPITAL MARKETS LLC

By: _____
Name: Michael Olliff
Title: Managing Director

SCHEDULE I

ESTIMATED EXPENSES

<u>ITEM</u>	<u>\$/1,000</u>	<u>AMOUNT</u>
Underwriter's Counsel	\$	\$
IPREO		
DTC		
CUSIP Fee		
Miscellaneous		
TOTAL	<u>\$</u>	<u>\$</u>

EXHIBIT C
ISSUE PRICE CERTIFICATE

The undersigned, PNC Capital Markets LLC, in its capacity as agent and representative of itself (the “Senior Managing Underwriter”), and in its capacity as agent for Raymond James & Associates, Inc. (collectively, the “Underwriters”) hereby certifies as set forth below with respect to the sale and issuance by the City of Port St. Lucie, Florida (the “Issuer”) of its \$[_____] Capital Improvement and Refunding Revenue Bonds, Series 2021 (the “Issue”).

[Select appropriate provisions below:]

1. [Alternative 1¹ – All Maturities Use General Rule: *Sale of the Bonds*. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: *Sale of the General Rule Maturities*. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].

(a) [Alternative 1³ – All Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2⁴ – Select Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

⁴ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, the Underwriters have agreed in writing that, (i) for each Maturity of the Bonds, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Total Issue Price. The total of the issue prices of all the Maturities is \$_____.

4. Defined Terms.

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2021), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the City of Port St. Lucie, Florida.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership,

association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2021.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Senior Managing Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

[Signature page to follow]

PNC CAPITAL MARKETS LLC

By: _____
Name:
Its:

Dated: [Closing Date].

Schedule A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE
MATURITIES**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT C

FORM OF PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2021

**NEW ISSUE - FULL BOOK-ENTRY
BOOK-ENTRY ONLY**

See "RATING" herein

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2021 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax. Such interest also may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

\$ _____ *

**CITY OF PORT ST. LUCIE, FLORIDA
CAPITAL IMPROVEMENT AND REFUNDING REVENUE BONDS,
SERIES 2021**

Dated: Date of Delivery

Due: September 1, as shown on inside cover page

The City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds") are being issued as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2021 Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2022, and will be payable by check or draft of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Paying Agent, mailed to the Holder in whose name such Series 2021 Bond is registered, as shown on the registration books of the City of Port St. Lucie, Florida (the "City") maintained by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Registrar, as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding the applicable interest payment date; provided, however, at the request of any Holder of Series 2021 Bonds, interest payments may be made by bank wire transfer to the account designated by such Holder. Principal of the Series 2021 Bonds is payable to the Holder thereof upon presentation and surrender, when due, at the designated corporate trust office of the Paying Agent. Upon initial issuance, the Series 2021 Bonds will be registered in the name of and held by Cede & Co. as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. So long as DTC or Cede & Co. is the registered owner of the Series 2021 Bonds, payments of the principal of and interest on the Series 2021 Bonds will be mailed directly to DTC or Cede & Co., which is to remit such payments to the Participants (as defined herein), which in turn are to remit such payments to the Beneficial Owners (as defined herein) of the Series 2021 Bonds. See "DESCRIPTION OF THE SERIES 2021 BONDS - Book-Entry Only System" herein.

The Series 2021 Bonds are subject to redemption prior to maturity, as set forth herein.

The Series 2021 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218 parts II and VI, Florida Statutes, the Charter of the City, Ordinance No. ___-__ enacted by the City Council of the City (the "City Council") on August 23, 2021, and other applicable provisions of law, and Resolution No. __-__ adopted by the City Council on August 23, 2021, as the same may be amended and supplemented (the "Resolution").

The Series 2021 Bonds are being issued, together with other legally available funds, to (a) acquire, construct and equip various capital improvements within the City as more particularly described herein under "THE SERIES 2021 PROJECT", (b) refund the City's outstanding Sales Tax Refunding Revenue Bonds, Series 2011 and (c) pay costs of issuance of the Series 2021 Bonds.

The payment of the principal of, or Redemption Price, if applicable, and interest on the Series 2021 Bonds and any Additional Bonds issued pursuant to the Resolution shall be secured forthwith equally and ratably by a pledge of and lien upon (a) the Sales Tax Revenues, (b) the Revenue Sharing Proceeds, and (c) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established pursuant to the Resolution except (i) the Unrestricted Revenue Account and the Rebate Fund and (ii) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds"). See "SECURITY FOR THE SERIES 2021 BONDS" herein.

THE SERIES 2021 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO HOLDER OF ANY SERIES 2021 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2021 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2021 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

The Series 2021 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed on for the City by James D. Stokes, Esq., City Attorney and Bryant Miller Olive P.A., Miami, Florida, Disclosure Counsel. The Underwriters are being represented by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida. PFM Financial Advisors LLC, Orlando, Florida is serving as Financial Advisor to the City with respect to the Series 2021 Bonds. It is expected that settlement for the Series 2021 Bonds will occur through the facilities of DTC in New York, New York, on or about _____, 2021.

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

PNC Capital Markets LLC

RAYMOND JAMES®

Dated: _____, 2021.

*Preliminary, subject to change.

\$ _____ *

**CITY OF PORT ST. LUCIE, FLORIDA
CAPITAL IMPROVEMENT AND REFUNDING REVENUE BONDS,
SERIES 2021**

**MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS
AND INITIAL CUSIP NUMBERS**

\$ _____ * **Serial Series 2021 Bonds**

<u>Maturity*</u> <u>(September 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP</u> <u>Number**</u>
--	----------------	--------------------------------	--------------	--------------	---

* Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standards & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the purchasers of the Series 2021 Bonds. Neither the City nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The City has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

CITY OF PORT ST. LUCIE, FLORIDA

City Hall
121 S.W. Port St. Lucie Boulevard
Port St. Lucie, Florida 34984
772-871-5157

MEMBERS OF THE CITY COUNCIL

Shannon M. Martin*, Vice Mayor
Jolien Caraballo, Councilwoman
Stephanie Morgan, Councilwoman
David Pickett, Councilman

CITY OFFICIALS

City Manager
Russell D. Blackburn

Chief Financial Officer
Jeffery L. Snyder

City Attorney
James D. Stokes, Esq.

City Clerk
Sally Walsh

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Miami, Florida

FINANCIAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

*The Mayor accepted a job elsewhere, and on July 1, 2021 the Vice Mayor assumed all Mayoral responsibilities. A special election will be required to fill the Mayor's position, with a primary to be held on September 21, 2021 and a general election on December 7, 2021.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriters. This Official Statement neither constitutes an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City, DTC (as to itself and the book-entry only system) and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of the City since the date hereof.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Upon issuance, the Series 2021 Bonds will not be registered under the Securities Act of 1933 or any state securities law, will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission (the "SEC") nor any other federal, state, municipal or other governmental entity, other than the City, will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2021 Bonds for sale. The Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exceptions contained in such Act.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITERS MAY EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they may be obtained from Sally Walsh, City Clerk, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984, (772) 871-5157, upon prepayment of reproduction costs, postage and handling expenses.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2021 BONDS HAS BEEN FILED WITH THE SEC OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTIONS "ESTIMATED SOURCES AND USES OF FUNDS" AND "INVESTMENT CONSIDERATIONS." THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

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APPENDICES

- APPENDIX A - General Information Regarding the City of Port St. Lucie and St. Lucie County, Florida
- APPENDIX B - Audited Financial Statements for Fiscal Year Ended September 30, 2020 of the City of Port St. Lucie, Florida
- APPENDIX C - Form of Resolution
- APPENDIX D - Form of Bond Counsel Opinion
- APPENDIX E - Form of Continuing Disclosure Certificate

OFFICIAL STATEMENT

Relating to

\$_____*

**CITY OF PORT ST. LUCIE, FLORIDA
CAPITAL IMPROVEMENT AND REFUNDING REVENUE BONDS
SERIES 2021**

INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover page and appendices, is to set forth information concerning the City of Port St. Lucie, Florida (the "City") and the \$_____* City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), in connection with the sale of the Series 2021 Bonds.

The Series 2021 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218 Parts II and VI, Florida Statutes, the Charter of the City, Ordinance No. ___-__ enacted by the City Council of the City (the "City Council") on August 23, 2021 (the "Ordinance"), and other applicable provisions of law (collectively, the "Act"), and Resolution No. ___-___ adopted by the City Council on August 23, 2021, as the same may be amended and supplemented (the "Resolution"). See "APPENDIX C - Copy of Ordinance and Resolution " attached hereto.

The Series 2021 Bonds are being issued, together with other legally available funds, to (i) acquire, construct and equip various capital improvements within the City as more particularly described herein under "THE SERIES 2021 PROJECT", (ii) refund the City's outstanding Sales Tax Refunding Revenue Bonds, Series 2011 maturing on and after September 1, 2022 (the "Refunded Bonds") and (iii) pay costs of issuance of the Series 2021 Bonds.

The payment of the principal of, or Redemption Price, if applicable, and interest on the Series 2021 Bonds and any Additional Bonds issued pursuant to the Resolution shall be secured forthwith equally and ratably by a pledge of and lien upon (a) the Sales Tax Revenues, (b) the Revenue Sharing Proceeds, and (c) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established pursuant to the Resolution except (i) the Unrestricted Revenue Account and the Rebate Fund and (ii) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds"). See "SECURITY FOR THE SERIES 2021 BONDS" and "APPENDIX C – Copy of Ordinance and Resolution" attached hereto.

THE SERIES 2021 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS, IN THE MANNER

*Preliminary, subject to change.

AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO HOLDER OF ANY SERIES 2021 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2021 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2021 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

The City has covenanted to provide certain continuing disclosure information relating to the Series 2021 Bonds pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

Capitalized terms used but not defined in this Official Statement shall have the same meaning ascribed in the Resolution unless the context would clearly indicate otherwise. The applicable definitions are contained in the form of the Resolution attached as APPENDIX C hereto. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Series 2021 Bonds, the security for the payment of the Series 2021 Bonds, and the rights and obligations of Registered Owners thereof. In particular, certain provisions of the Resolution are summarized herein, but these summaries are qualified by the complete provisions of the Resolution, and reference is made to the Resolution for additional provisions not summarized herein. Copies of such documents may be obtained from Sally Walsh, City Clerk, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984, (772) 871-5157, upon prepayment of reproduction costs, postage and handling expenses.

THE SERIES 2021 PROJECT

The "Series 2021 Project" shall include, but not be limited to, the following capital improvements: (1) a new Public Works Building, (2) a new Police Training Facility, (3) Torino Regional Park Improvements, (4) Tradition Regional Park Improvements and (5) an Adaptive Traffic Light System, all as more particularly described in the plans and specifications on file with the City, as the same may be amended and supplemented from time to time.

THE REFUNDING PLAN

Concurrently with the delivery of the Series 2021 Bonds, a portion of the proceeds of the Series 2021 Bonds, together with other legally available funds of the City, shall be deposited into an escrow deposit trust fund (the "Escrow Fund") pursuant to the terms and provisions of an escrow deposit agreement (the "Escrow Deposit Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Escrow Agent. The moneys deposited into the Escrow Fund [shall be held in cash uninvested] and used to pay the principal of and interest on the Refunded Bonds as the same become due and payable upon maturity or prior redemption. Upon the deposit of such moneys and the application thereof, all in accordance with the Escrow Deposit Agreement, the Refunded Bonds will be deemed defeased and no longer Outstanding for purposes of the bond ordinance relating to the Refunded Bonds and the bondholders of the Refunded Bonds shall be entitled to payment solely from the moneys deposited in the Escrow Fund pursuant to the Escrow Deposit Agreement.

Upon delivery of the Series 2021 Bonds, the City expects to legally defease the Refunded Bonds. The Refunded Bonds are expected to be redeemed within 45 days of the issuance of the Series 2021 Bonds

at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date. After the issuance of the Series 2021 Bonds, payment of all amounts due from the City on the Refunded Bonds shall be made from the Escrow Fund. Upon the deposit of the above-referenced moneys in the Escrow Fund, in the opinion of Bond Counsel, the pledge of and lien on the Sales Tax Revenues in favor of the Registered Owners of the Refunded Bonds shall no longer be in effect.

The moneys held pursuant to the Escrow Deposit Agreement will not be available to pay debt service on the Series 2021 Bonds.

DESCRIPTION OF THE SERIES 2021 BONDS

General

The Series 2021 Bonds shall be issued only in fully registered form without coupons in principal denominations of \$5,000 each or any integral multiple thereof. The Series 2021 Bonds are dated as of their date of delivery and bear interest at the rates per annum and mature on the dates set forth on the inside cover page hereof. Interest on the Series 2021 Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2022 (the "Interest Dates"). Interest payable on the Series 2021 Bonds on any Interest Date shall be paid by check or draft of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Paying Agent made payable and mailed to the Holder in whose name such Series 2021 Bond is registered, as shown on the registration books of the City maintained by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Registrar, as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable Interest Date (the "Record Date"); provided, however, at the request of any Holder of Series 2021 Bonds, interest payments may be made by bank wire transfer to the account designated by such Holder. Principal of, or Redemption Price, if applicable, on the Series 2021 Bonds is payable to the Holder thereof upon presentation and surrender, when due, at the designated corporate trust office of the Paying Agent provided, however, so long as the Series 2021 Bonds are registered in the name of Cede & Co. pursuant to DTC's book-entry system of registration, or described in the Resolution, principal may be paid by wire transfer.

The Series 2021 Bonds will be issued initially as book-entry only obligations and held by The Depository Trust Company ("DTC") as securities depository. The ownership of one fully registered Series 2021 Bond for each maturity as set forth on the inside cover page hereof, in the appropriate aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. For more information regarding DTC and DTC's Book-Entry Only System, see the subheading "Book-Entry Only System" which immediately follows.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE. THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2021 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2021 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2021 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2021 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL

OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2021 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2021 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, AND OTHER RELATED TRANSACTIONS

BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2021 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds as set forth in the inside cover of this Official Statement, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has an S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2021 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2021 Bond certificates will be printed and delivered to DTC.

Interchangeability, Negotiability and Transfer

So long as the Series 2021 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of Series 2021 Bonds do not apply to the Series 2021 Bonds to the extent of a conflict with the DTC book-entry only system.

Series 2021 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2021 Bonds of the same Series and maturity of any other authorized denominations.

The Series 2021 Bonds shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2021 Bonds. So long as any of the Series 2021 Bonds shall remain Outstanding, the City shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2021 Bonds.

Each Series 2021 Bond shall be transferable only upon the books of the City, at the office of the Registrar, under such reasonable regulations as the City may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Series 2021 Bond, the City shall issue, and cause to be authenticated, in the name of the transferee a new Series 2021 Bond or Series 2021 Bonds of the same aggregate principal amount and Series and maturity as the surrendered Series 2021 Bond. The City, the Registrar and any Paying Agent or fiduciary of the City may deem and treat the Person in whose name any Outstanding Series 2021 Bond shall be registered upon the books of the City as the absolute owner of such Series 2021 Bond, whether such Series 2021 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Series 2021 Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2021 Bond to the extent of the sum or sums so paid and neither the City nor the Registrar nor any Paying Agent or other fiduciary of the City shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series 2021 Bonds, forthwith (A) following the fifteenth day prior to an Interest Date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Series 2021 Bonds; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Series 2021 Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Series 2021 Bond shall effect

payment of interest on such Series 2021 Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Series 2021 Bonds or transferring Series 2021 Bonds is exercised, the City shall execute and deliver Series 2021 Bonds and the Registrar shall authenticate such Series 2021 Bonds in accordance with the provisions of the Resolution. Execution of Series 2021 Bonds by the City Manager and City Clerk for purposes of exchanging, replacing or transferring Series 2021 Bonds may occur at the time of the original delivery of the Series 2021 Bonds are a part. All Series 2021 Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the City to be cancelled by the Registrar. For every such exchange or transfer of Series 2021 Bonds, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The City and the Registrar shall not be obligated to make any such exchange or transfer of Series 2021 Bonds during the 15 days next preceding an Interest Date on the Series 2021 Bonds (other than Capital Appreciation Bonds and Variable Rate Bonds), or, in the case of any proposed redemption of Series 2021 Bonds, then, for the Series 2021 Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Series 2021 Bonds Mutilated, Destroyed, Stolen or Lost

So long as the Series 2021 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to mutilated, destroyed, stolen or lost Series 2021 Bonds do not apply to the Series 2021 Bonds to the extent of a conflict with the DTC book-entry only system.

In case any Series 2021 Bond shall become mutilated, or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2021 Bond of like tenor as the Series 2021 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2021 Bond upon surrender and cancellation of such mutilated Series 2021 Bond or in lieu of and substitution for the Series 2021 Bond destroyed, stolen or lost, and upon the Holder furnishing the City and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City or the Registrar may prescribe and paying such expenses as the City and the Registrar may incur. All Series 2021 Bonds so surrendered shall be cancelled by the Registrar. If any of the Series 2021 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2021 Bond, the City may pay the same or cause the Series 2021 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2021 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2021 Bonds issued pursuant to the Resolution shall constitute original, additional contractual obligations on the part of the City whether or not the lost, stolen or destroyed Series 2021 Bond be at any time found by anyone, and such duplicate Series 2021 Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Series 2021 Bonds issued under the Resolution.

Redemption Provisions

Optional Redemption. The Series 2021 Bonds maturing on or before September 1, 20__ are not subject to optional redemption. The Series 2021 Bonds maturing on or after September 1, 20__ are subject

to redemption in whole or in part, at any time, on or after September 1, 20__, in such order of maturities as may be determined by the City (less than all of a single maturity to be selected by lot), at a Redemption Price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Redemption. The Series 2021 Bonds maturing on September 1, 20__ will be subject to mandatory redemption prior to maturity, by lot, in such manner as the Registrar may deem appropriate, at the Redemption Price of 100% of the principal amount of the Series 2021 Bonds so to be redeemed in the following Amortization Installments on September 1 in the years specified:

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

*Maturity.

Selection of Bonds to be Redeemed

The Series 2021 Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The City shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Series 2021 Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Series 2021 Bonds of a single maturity, the particular Series 2021 Bonds or portions of Series 2021 Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Series 2021 Bonds of the maturity or maturities designated by the City by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2021 Bonds or portions of Series 2021 Bonds in principal amounts of \$5,000 and integral multiples thereof. If less than all of a Term Bond is to be redeemed, the aggregate principal amount to be redeemed shall be allocated to the Amortization Installments on a pro-rata basis unless the City, in its discretion, designates a different allocation.

So long as the Series 2021 Bonds are registered in the name of DTC or its nominee, the following sentence does not apply to the Series 2021 Bonds to the extent of a conflict with the DTC book-entry only system. If less than all of the Outstanding Series 2021 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the City and Paying Agent (if the Registrar is not the Paying Agent for such Series 2021 Bonds) in writing of the Series 2021 Bonds or portions of Series 2021 Bonds selected for redemption and, in the case of any Series 2021 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Notice of Redemption

So long as the Series 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC (or in the name of any successor securities depository), notices of redemption shall only be given on behalf of the City to Cede & Co., or any successor securities depository. See "DESCRIPTION OF THE SERIES 2021 BONDS - Book-Entry Only System" herein.

Notice of redemption, which shall specify the Series 2021 Bond or Series 2021 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the City, and (a) shall be filed with the Paying Agent of such Series 2021 Bonds, (b) shall be mailed first class, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to all Holders of Series 2021 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice, and (c) shall be provided to the Electronic Municipal Market Access within 10 days of mailing thereof. Failure to mail such notice to such depositories or services or the Holders of the Series 2021 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Series 2021 Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as provided in the Resolution shall not affect the proceedings for redemption of such Holder's Series 2021 Bonds.

The City may provide that a redemption will be contingent upon the occurrence of certain conditions and that if such conditions do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders not later than three business days prior to the date of redemption.

Purchase in Lieu of Redemption

Notwithstanding anything in the Resolution to the contrary, at any time the Series 2021 Bonds are subject to optional redemption pursuant to the Resolution, all or a portion of the Series 2021 Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the City, on the date which would be the redemption date if such Series 2021 Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the redemption price which would have been applicable to such Series 2021 Bonds on the redemption date for the account of and at the direction of the City who shall give the Paying Agent, as trustee, notice at least ten days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Series 2021 Bonds or any other Outstanding Bonds (other than Taxable Bonds) or shall not otherwise affect the status of any such Series 2021 Bonds issued as Federal Subsidy Bonds or the City's receipt of Federal Subsidy Payments with respect to said Outstanding Federal Subsidy Bonds. In the event the Paying Agent, as trustee, is so directed to purchase Series 2021 Bonds in lieu of optional redemption, no notice to the holders of the Series 2021 Bonds to be so purchased (other than the notice of redemption otherwise required under the Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Series 2021 Bonds if such Series 2021 Bonds had been redeemed rather than purchased. Each Series 2021 Bond so purchased shall not be canceled or discharged and shall be registered in the name of the City. Series 2021 Bonds to be purchased under the Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

SECURITY FOR THE BONDS

General

The payment of the principal of, or Redemption Price, if applicable, and interest on the Series 2021 Bonds and any Additional Bonds issued pursuant to the Resolution shall be secured forthwith equally and

ratably by a pledge of and lien upon (a) the Sales Tax Revenues, (b) the Revenue Sharing Proceeds, and (c) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established pursuant to the Resolution except (i) the Unrestricted Revenue Account and the Rebate Fund and (ii) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution (collectively, the "Pledged Funds").

"Sales Tax Revenues" is defined in the Resolution to mean all moneys distributed (including any emergency distribution) to the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to Part VI, Chapter 218, Florida Statutes and other applicable provisions of law, and any funds received by the City as a replacement for any proceeds formerly distributed to the City from the Local Government Half-Cent Sales Tax Clearing Trust Fund as the result of any change in Florida law. See "DESCRIPTION OF PLEDGED FUNDS - Sales Tax Revenues" herein.

"Revenue Sharing Proceeds" is defined in the Resolution to mean the revenues received by the City from the Revenue Sharing Trust Fund for Municipalities pursuant to Chapter 218, Part II, Florida Statutes, in an amount equal to 50% of the revenues received by the City from the Revenue Sharing Trust Fund for Municipalities in the prior Fiscal Year. See "DESCRIPTION OF PLEDGED FUNDS – State Revenue Sharing" herein.

THE SERIES 2021 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO HOLDER OF ANY SERIES 2021 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2021 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2021 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

Receipt of Sales Tax Revenues and Revenue Sharing Proceeds

The City covenants in the Resolution to do all things necessary or required on its part by the Act or otherwise to entitle the City to receive the Sales Tax Revenues and the Revenue Sharing Proceeds in the amounts currently provided under the Act. The City shall exercise all legally available remedies to enforce such receipt now or hereafter available under law. The City will not take any action or enter into any agreement that shall result in impairing or reducing the level of Sales Tax Revenues or Revenue Sharing Proceeds received by the City from that level prevailing at the time the City takes such action or enters into such agreement.

Funds and Accounts

Pursuant to the Resolution, the City has established the "City of Port St. Lucie Capital Improvement and Refunding Revenue Bonds Revenue Fund," the "City of Port St. Lucie Capital Improvement and Refunding Revenue Bonds Debt Service Fund," and the "City of Port St. Lucie Capital Improvement and Refunding Revenue Bonds Rebate Fund." The City maintains in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The City maintains in the Debt

Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account" and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Rebate Account and the Unrestricted Revenue Account, until applied in accordance with the provisions of the Resolution, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

Construction Fund

The City established a special fund to be known as the "City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds Construction Fund," pursuant to the Resolution, which shall be used only for payment of the Cost of a Project. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner provided in the Resolution, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

No Reserve for the Series 2021 Bonds

The City has determined not to fund the Reserve Account or a subaccount in the Reserve Account to further secure the Series 2021 Bonds.

Disposition of Sales Tax Revenues and Revenue Sharing Proceeds

(a) The City shall promptly deposit upon receipt all of the Sales Tax Revenues and Revenue Sharing Proceeds into the Restricted Revenue Account. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 25th day of each month, commencing in the month immediately following delivery of any of the Bonds to the purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

(i) Interest Account. The City shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all of the Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month (assuming that a year consists of twelve (12) equal calendar months of thirty (30) days each). All Hedge Receipts and Federal Subsidy Payments shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which the City has determined are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the City (a) for deposit with the Paying Agent to pay the interest on the Bonds on or prior to the date the same shall become due, whether by maturity, redemption or otherwise, and (b) for Hedge Payments. Any Federal Subsidy Payments deposited to the Interest Account shall be deemed to have been applied to the payment of interest on the Federal Subsidy Bonds to which such Payments relate. The City shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Counterparty to such Qualified Hedge Agreement relating to such Bonds shall be paid to the Counterparty to such Qualified Hedge Agreement on a parity basis with the aforesaid required payments into the Debt Service Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar

month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(ii) Principal Account. Commencing in the month which is one year prior to the first principal due date (or if the first principal due date is less than one year from the date of issuance of a Series of Bonds, the month immediately following the issuance of such Bonds), the City shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amount on the Outstanding Bonds due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equal calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding payment due date from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the City for deposit with the Paying Agent to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature and monthly payments into the Principal Account on account of such Bonds shall commence in the twelfth month immediately preceding the maturity date of such Bonds. The City shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on the Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(iii) Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date (or if the first Amortization Installment due date is less than one year from the date of issuance of a Series of Bonds, the month immediately following the issuance of such Bonds), there shall be deposited or credited to the Bond Amortization Account an amount which, together with the balance in said Account, shall equal the Amortization Installments of all Bonds Outstanding due and unpaid and that portion of the Amortization Installment next due which would have accrued on said Bonds during the then current calendar month if such Amortization Installment were deemed to accrue daily (assuming that a year consists of twelve (12) months of thirty (30) days each), in equal amounts from the next preceding Amortization Installment due date, or if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner provided in the Resolution or as provided by Supplemental Resolution, and for no other purpose. Term Capital Appreciation Bonds shall be payable from the Term Bonds Redemption Account in the years in which such Bonds mature and monthly payments into the Bond Amortization Account on account of such Bonds shall commence in the twelfth month immediately preceding the due date of the related Amortization Fund Installments. The City shall adjust the amount of the deposit into the Bond Amortization Account not later than the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. No further deposit need be made to the Bond

Amortization Account when the moneys therein are equal to the Amortization Installments coming due on the Outstanding Bonds on the next succeeding Amortization Installment due date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

(iv) Reserve Account. There shall next be deposited to the Reserve Account an amount which would enable the City to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether such shortfall was caused by an increase in the applicable Reserve Account Requirement, a decrease in the aggregate market value of the investments therein of more than 5% or withdrawal (whether from cash or a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the City to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Bond Amortization Account shall be insufficient for such purpose. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the City into the Restricted Revenue Account and applied as directed by Bond Counsel. The City shall promptly inform each Insurer and Credit Bank of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as provided in the Resolution, the City shall fund the Reserve Account in an amount at least equal to the applicable Reserve Account Requirement to the extent such Series of Bonds are to be secured by the Reserve Account or any subaccount therein; provided, however, nothing in the Resolution shall be construed to require the City to fund the Reserve Account or any subaccount for any Series of Bonds. Upon the adoption of the Supplemental Resolution authorizing the issuance of a Series of Bonds, the City shall determine whether such Series of Bonds shall be secured by the Reserve Account or any subaccount therein and, if the City determines that the Series of Bonds will be secured by a separate subaccount therein, the City shall also establish the Reserve Account Requirement applicable thereto. Such required amount, if any, shall be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account or subaccount therein over a period of months from the date of issuance of such Series of Bonds, which shall not exceed 36 months.

Notwithstanding the foregoing provisions, in lieu of or in substitution of any required deposits into the Reserve Account or any subaccount therein, the City may cause to be deposited into the Reserve Account or subaccount a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Letter of Credit may be reduced by the amount of cash or investments deposited in the Reserve Account or subaccount pursuant to the provisions of the Resolution.

The City may also establish a separate subaccount in the Reserve Account for any Series of Bonds and such subaccount shall be pledged to the payment of such Series of Bonds apart from the pledge provided in the Resolution. To the extent a Series of Bonds is secured separately by a

subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount of the Reserve Account at such level as the City deems appropriate. In the event the City by Supplemental Resolution establishes the Reserve Account Requirement for a particular Series of Bonds to be zero (\$0.00) or it shall determine that such Series are not to be secured in any manner by the Reserve Account or a subaccount, then it shall not be required to establish a separate subaccount; provided, however, such Series of Bonds shall have no lien on or pledge of any moneys on deposit in the Reserve Account. Moneys used to replenish the Reserve Account shall be deposited in the separate subaccounts in the Reserve Account and in the Reserve Account on a pro-rata basis.

(v) Unrestricted Revenue Account. The balance of any moneys after the deposits described above may be transferred, at the discretion of the City, to the Unrestricted Revenue Account or any other appropriate fund and account of the City and may be used for any lawful purpose including, without limitation, early redemption of the Bonds. In the event moneys on deposit in the Interest Account and the Principal Account on the third day prior to an Interest Date are not sufficient to pay the principal of and interest on the Bonds coming due on such Interest Date, the City shall transfer moneys from the Unrestricted Revenue Account, if any, to the appropriate Account of the Debt Service Fund to provide for such payment. Any moneys remaining in the Unrestricted Revenue Account on each Interest Date may be used for any lawful purpose.

(b) The City, in its discretion, may use moneys in the Principal Account, the Bond Amortization Account and the Interest Account to purchase or redeem Outstanding Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the City's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(c) At least one (1) business day prior to the date established for payment of any principal of or interest on the Bonds, the City shall withdraw from the appropriate Account of the Debt Service Fund sufficient moneys to pay such principal or interest and deposit such moneys with the Paying Agent. Such deposits with the Paying Agent shall be made in moneys available to make payments of the principal of and interest on the Bonds as the same becomes due.

Rebate Fund

Amounts on deposit in the Rebate Fund shall be held in trust by the City and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Revenue Fund) and the Bondholders shall have no right to have the same applied for debt service on the Bonds.

Additional Bonds

No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to the Resolution, shall be issued except upon the conditions and in the manner provided in the Resolution. The City may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing or refinancing the Costs of a Project, or the completion thereof, or refunding any or all

Outstanding Bonds or of any Subordinated Indebtedness of the City or any other indebtedness of the City that it may lawfully refund with proceeds of Bonds. No such Additional Bonds shall be issued unless (a) no Event of Default (as specified in the Resolution) shall have occurred and be continuing and (b) the following conditions are complied with:

(i) Except as otherwise provided in paragraph (iv) below, there shall have been obtained and filed with the City a statement of the City Manager: (1) stating that he or she has examined the books and records of the City relating to the Sales Tax Revenues and Revenue Sharing Proceeds which have been received by the City; (2) setting forth the amount of such Sales Tax Revenues and Revenue Sharing Proceeds during any twelve (12) consecutive months designated by the City within the twenty-four (24) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the aggregate amount of such Sales Tax Revenues and Revenue Sharing Proceeds received during the aforementioned 12 month period equals at least 1.50 times the Maximum Annual Debt Service on all Bonds then Outstanding and such Additional Bonds with respect to which such statement is made. Such report may be partially based upon a certification of certain matters related to the calculation of the Maximum Annual Debt Service by the City's Financial Advisor.

(ii) For the purpose of determining the Debt Service, the interest rate on Additional Bonds that are proposed to be as Variable Rate Bonds shall be deemed to be the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(iii) For the purpose of determining the Debt Service, the interest rate on Outstanding Variable Rate Bonds (not subject to a Qualified Hedge Agreement) shall be deemed to be (i) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the highest of (a) the actual rate of interest borne by such Variable Rate Bonds on the date of sale, and (b) the average interest rate borne by such Variable Rate Bonds during the 12-month period preceding the date of sale, or (ii) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the higher of (a) the actual rate of interest borne by the Variable Rate Bonds on the date of sale, and (b) the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(iv) Additional Bonds shall be deemed to have been issued pursuant to the Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Resolution. Except as otherwise provided in the Resolution, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other; provided, however, that the City shall include a provision in any Supplemental Resolution authorizing the issuance of Variable Rate Additional Bonds that in the event the principal thereof is accelerated due to such Bonds being held by the Credit Facility Provider, the lien of any accelerated debt due and owing such Credit Facility Provider on the Pledged Funds shall be subordinate in all respects to the pledge of the Pledged Funds created by the Resolution.

(v) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of paragraph (i) above shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of aggregate debt service. The

conditions of paragraph (i) above shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

DESCRIPTION OF PLEDGED FUNDS

Sales Tax Revenues

Chapter 212, Florida Statutes, authorizes the levy and collection by the State of a sales tax upon, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida Legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized. As of October 1, 2001, the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund") began receiving a portion of certain taxes imposed by the State on communications services pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived from both general sales tax proceeds and certain taxes imposed on the sales of communications services required to be deposited into the Half-Cent Sales Tax Trust Fund.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. Chapter 218, Part VI, Florida Statutes, (the "Sales Tax Act") provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

The general rate of sales tax in the State is currently 6%. Section 212.20, Florida Statutes, provides for the distribution of 8.9744% of sales tax revenues to the Half-Cent Sales Tax Trust Fund, after providing for certain transfers to the State's General Fund and the Public Employees Relations Commission Trust Fund. Such amount deposited in the Half-Cent Sales Tax Trust Fund is earmarked for distribution to the governing body of such county and each eligible municipality within that county pursuant to the following distribution formula:

County Share (percentage of total Half-Cent Sales Tax receipts)	$\frac{\text{unincorporated area population}}{\text{total county population}}$	+	$\frac{2/3 \text{ incorporated area population}}{2/3 \text{ incorporated area population}}$
Municipality Share (percentage of total Half-Cent Sales Tax receipts)	$\frac{\text{municipality population}}{\text{total county population}}$	+	$\frac{2/3 \text{ incorporated area population}}{2/3 \text{ incorporated area population}}$

For purposes of the foregoing formula, "population" is based upon the latest official State estimate of population certified prior to the beginning of the local government fiscal year. Should the City annex any area or should any area of the City de-annex from the City, the share of the Half-Cent Sales Taxes received by the City would be respectively increased or decreased according to the foregoing formula.

The Half-Cent Sales Taxes are distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act. The Sales Tax Act permits the City to pledge its share of the Half-Cent Sales Tax for the payment of principal of and interest on any capital project.

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have satisfied these Eligibility Requirements (defined below). The City must have:

- (i) reported its finances for its most recently completed fiscal year to the Florida Department of Financial Services as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special mileages authorized by the voters, to produce the revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such 3 mill ad valorem tax, to have received a remittance from the county (pursuant to a municipal service benefit unit), collected an occupational license tax, utility tax, or ad valorem tax, or have received revenue from any combination of those four sources;
- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;
- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and
- (vii) certified to the Florida Department of Revenue ("FDOR") that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of a county or municipality as required by law.

The requirements described in (i) through (vii) are referred to herein as the "Eligibility Requirements". If the City does not comply with the Eligibility Requirements, the City would lose its Half-Cent Sales Tax Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by FDOR. **[The City has continuously maintained eligibility to receive the Half-Cent Sales Tax.]**

Although the Sales Tax Act does not impose any limitation on the number of years during which the City can receive distribution of the Half-Cent Sales Tax Revenues from the Half-Cent Sales Tax Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Half-Cent Sales Tax Program, and it is not unusual for the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, to be revised from time to time.

The amount of Half-Cent Sales Tax Revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the State, (ii) legislative changes relating to the overall sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund, (iii) changes in the relative population of the City to the County, which affect the percentage of Local Government Half-Cent Sales Tax received by the City, and (iv) other factors which may be beyond the control of the City.

The following table sets forth the historical collections of Half-Cent Sales Tax Revenues by the City.

Historical Half-Cent Sales Tax Collections

Year Ended <u>September 30</u>	Half-Cent Sales Tax <u>Revenues</u>	Percentage Change from Prior Fiscal <u>Year</u>
2011	\$4,928,954	--
2012	5,245,628	6.4%
2013	5,510,580	5.1
2014	6,039,906	9.6
2015	6,483,062	7.3
2016	6,817,675	5.2
2017	7,368,151	8.1
2018	8,096,469	9.9
2019	8,364,279	3.3
2020	8,679,297	3.8

Source: Comprehensive Annual Financial Report of the City of Port St. Lucie, Florida for the Fiscal Year Ended September 30, 2020.

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The table below provides an 8-month comparison of collections of receipts of Half-Cent Sales Tax Revenues for the fiscal year ended September 30, 2020 and the fiscal year ending September 30, 2021.

**Monthly Comparison
Half-Cent Sales Tax Collections⁽¹⁾**

Month	FY Ending September 30, 2020	FY Ending September 30, 2021	Percentage Change
October	\$751,338	\$780,251	3.8%
November	737,828	750,950	1.8
December	805,466	919,235	14.1
January	735,270	797,493	8.5
February	733,551	830,030	13.2
March	682,109	990,605	45.2
April	582,221	972,147	67.0
May	721,688	953,600	32.1

⁽¹⁾ COVID-19 and measures taken to prevent or reduce it, adversely impacted certain revenue sources, such as Half-Cent Sales Tax Revenues. See "INVESTMENT CONSIDERATIONS" herein for more information about the impacts of COVID-19 on the City.

Source: City of Port St. Lucie, Florida Finance Department.

The Florida Legislature passed HB 7061 and SB 50 during its 2021 session each of which went into effect on July 1, 2021. Among other things, HB 7061 implemented new, extended, or expanded sales tax exemptions including: a ten-day “back-to-school” tax holiday in late July and early August for certain clothing, school supplies, and personal computers; a ten-day “disaster preparedness” tax holiday in late May and early June for specified disaster preparedness items; a seven-day “Freedom Week” tax holiday the first week of July for certain admissions and certain recreational items and supplies; changes that allow businesses to pay sales tax on behalf of their customers in certain circumstances; a five-year extension of the deadline for a new data center to apply for an existing tax exemption; a sales tax exemption for items used in independent living;. The City does not expect HB 7061 will have an adverse impact on its ability to pay debt service on the Series 2021 Bonds.

Additionally, SB 50 requires out-of-state online retailers with no presence within the State who expect to make over \$100,000 in remote/online sales to collect and remit the State’s 6% sales tax on such online sales of taxable items. The City expects that if SB 50 has an impact on the City it will be positive and therefore will not have any impact on its ability to pay debt service on the Series 2021 Bonds.

State Revenue Sharing

A portion of certain taxes levied and collected by the State is shared with local governments under provisions of Chapter 218.215, Florida Statutes. The amount deposited by the FDOR into the State Revenue Sharing Trust Fund for Municipalities is 1.3653% of available sales and use tax collections after certain required distributions and the net collections from the one-cent municipal fuel tax. Beginning January 1, 2024, 25% of the 4 cents of excise tax levied upon each motor fuel equivalent gallon of natural gas fuel,

pursuant to Section 206.9955(2)(a), Florida Statutes, will be transferred to the State Revenue Sharing Trust Fund for Municipalities.

To be eligible for State Revenue Sharing funds beyond the minimum entitlement (defined as the amount necessary to meet obligations to which the City has pledged amounts received from the State Revenue Sharing Trust Fund for Municipalities), a local government must have:

- (i) reported its finances for its most recently completed fiscal year to the Florida Department of Financial Services as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of three (3) mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such three (3) mill ad valorem tax, to have received a remittance from the county pursuant to a municipal services benefit unit, collected an occupational license tax, utility tax, or ad valorem tax, or have received revenue from any combination of those four sources;
- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;
- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and
- (vii) certified to the FDOR that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

If the City fails to comply with such requirements, the FDOR may utilize the best information available to it, if such information is available, or take any necessary action including disqualification, either partial or entire, and the City shall further waive any right to challenge the determination of the FDOR as to its distribution, if any. Eligibility is retained if the local government has met eligibility requirements for the previous three years, even if the local government reduces its millage or utilities taxes because of the receipt of State Revenue Sharing funds. **[The City has continuously maintained eligibility to receive the State Revenue Sharing funds.]**

The amount of the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is the average of three factors: an adjusted population factor; a sales tax collection factor, which is the proportion of the local City's ordinary sales tax distribution the municipality would receive if the distribution were strictly population-based; and a relative revenue-raising ability factor, which measures the municipality's ability to raise revenue relative to other qualifying municipalities in the State.

The distribution to an eligible municipality is determined by the following procedure. First, a municipal government's entitlement is computed on the basis of the apportionment factor applied to all State Revenue Sharing Trust Fund receipts available for distribution. Second, the revenue to be shared via the formula in any fiscal year is adjusted so that no municipality receives fewer funds than its guaranteed

entitlement, which is equal to the aggregate amount received from the state in fiscal year 1971-72 under then-existing statutory provisions. Third, the revenue to be shared via the formula in any fiscal year is adjusted so that all municipalities receive at least their minimum entitlement, which means the amount of revenue necessary for a municipality to meet its obligations as the result of pledges, assignments, or trusts entered into that obligated State Revenue Sharing Trust Fund monies. Finally, after making these adjustments, any remaining State Revenue Sharing Trust Fund monies are distributed on the basis of the additional money of each qualified municipality in proportion to the total additional money for all qualified municipalities.

The following are sources of revenues that are deposited into the State Revenue Sharing Trust Fund for Municipalities.

Sales Tax Revenues. Prior to July 1, 2000, a state tax was levied on cigarette packages at varying rates, depending upon the length and number of cigarettes in a package and, pursuant to Section 210.20(2)(a), Florida Statutes, certain amounts derived from such cigarette taxes were deposited to the Revenue Sharing Trust Fund for Municipalities after deducting therefrom certain charges for administration and collection. Effective July 1, 2000, the cigarette tax revenues were eliminated from distribution to the Revenue Sharing Trust Fund for Municipalities and replaced with sales and use tax proceeds. Currently, 1.3653% of the available proceeds of the sales and use tax imposed pursuant to Chapter 212, Florida Statutes, is transferred monthly to the Revenue Sharing Trust Fund for Municipalities after certain other transfers have been made and certain charges for administration and collection have been deducted therefrom.

Municipal Fuel Tax. The proceeds of the municipal fuel tax imposed pursuant to Section 206.41(1)(c), Florida Statutes, after deducting certain service charges and administrative costs is transferred into the Revenue Sharing Trust Fund for Municipalities. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities. None of the debt service on the Series 2021 Bonds is allocable to transportation facilities.

The sales and use tax provides the majority of the receipts for the guaranteed entitlement from the Revenue Sharing Trust Fund for Municipalities. For the State's 2020 fiscal year, approximately 78% of the deposits of the Revenue Sharing Trust Fund for Municipalities were from sales and use tax and approximately 22% were from the municipal fuel tax.

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The following table sets forth the historical collections of revenues received by the City from the Revenue Sharing Trust Fund for Municipalities. *Pursuant to Florida Statutes and the Resolution, Revenue Sharing Proceeds which are pledged to the payment of the Series 2021 Bonds is limited to 50% of the revenues received by the Issuer from the Revenue Sharing Trust for Municipalities in the prior year.*

**Historical Collections of Revenues from
Revenue Sharing Trust Fund for Municipalities**

<u>Year Ended September 30</u>	<u>Revenues received from the Revenue Sharing Trust Fund for Municipalities⁽¹⁾</u>	<u>Percentage Change from Prior Fiscal Year</u>
2011	\$1,777,524	--
2012	1,975,974	11.2%
2013	2,498,520	26.4
2014	2,863,124	14.6
2015	3,433,177	19.9
2016	3,690,662	7.5
2017	4,107,742	11.3
2018	4,332,362	5.5
2019	4,608,391	6.4
2020 ⁽²⁾	4,127,853	(10.4)

⁽¹⁾ Pursuant to Florida Statutes and the Resolution, the City has pledged 50% of these revenues to pay debt service for the Series 2021 Bonds. For the fiscal year ended September 30, 2020, Revenue Sharing Proceeds equaled \$2,063,927.

⁽²⁾ COVID-19 and measures taken to prevent or reduce it, adversely impacted certain revenue sources, such as State Revenue Sharing Funds. See "INVESTMENT CONSIDERATIONS" herein for more information.

Source: City of Port St. Lucie, Florida Finance Department.

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The table below provides a 9-month comparison of collections of revenues from the Revenue Sharing Trust Fund for Municipalities for the fiscal year ended September 30, 2020 and the fiscal year ending September 30, 2021.

**Monthly Comparison
State Revenue Sharing Trust Fund for Municipalities⁽¹⁾**

Month	FY Ending September 30, 2020	FY Ending September 30, 2021	Percentage Change
October	\$367,067	\$326,606	(11.0%)
November	367,068	326,606	(11.0)
December	367,067	326,605	(11.0)
January	367,068	326,605	(11.0)
February	367,067	326,606	(11.0)
March	367,067	333,626	(9.1)
April	92,438	326,606	253.3
May	92,438	326,283	253.0
June	278,158	431,085	55.0

⁽¹⁾ Pursuant to Florida Statutes and the Resolution, the City has pledged 50% of these revenues to pay debt service for the Series 2021 Bonds.

Source: City of Port St. Lucie, Florida Finance Department.

PRO-FORMA DEBT SERVICE COVERAGE

Maximum Annual Debt Service ⁽¹⁾	Half-Cent Sales Tax Revenues for the Fiscal Year Ended <u>09/30/20</u>	Revenue Sharing Proceeds for the Fiscal Year Ended <u>09/30/20</u>	Total Pledged Funds for the Fiscal Year Ended <u>09/30/20</u>	Pro-Forma Debt Service Coverage
\$	\$8,679,297	\$2,063,927	\$10,761,224	x

⁽¹⁾ Includes estimated debt service on the Series 2021 Bonds based on an estimated issue size of \$_____ an estimated true interest cost rate of ____%, and an estimated final maturity date of _____ 1, 20__.

INVESTMENT CONSIDERATIONS

The purchase of the Series 2021 Bonds involves a degree of risk, as is the case with all investments. Factors that could affect the City's ability to perform its obligations under the Resolution, including the timely payment of principal of and interest on the Series 2021 Bonds, include, but are not limited to, the following:

1. The State of Florida is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities including the City. Such effects can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change, generally discussed below), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs. The City has been hardening its facilities and infrastructure in an effort to absorb such risks and events. With respect to rising sea levels, the City is minimally impacted as a result of its location.

2. The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 has generally had a negative financial impact on local, state and national economies around the country, including significantly increased unemployment in certain sectors including especially travel, hospitality and restaurants.

COVID-19, a respiratory virus was first reported in China and thereafter spread around the world, including the United States, is considered a Public Health Emergency of International Concern by the World Health Organization. This led to quarantine and other "social distancing" measures throughout the United States. These measures included recommendations and warnings to limit non-essential travel and promote telecommuting. As a result of the spread of COVID-19, the Governor of Florida declared a state of emergency on March 9, 2020. Additionally, the Governor executed various other executive orders which, among other things, (i) closed bars and restaurants to dine-in customers, (ii) suspended vacation rentals and (iii) issued a mandatory "safer at home" order for the entire State effective April 3, 2020 through April 30, 2020. On April 29, 2020, the Governor announced the first phase of reopening businesses which began on May 4, 2020 and allowed for certain businesses to open at 25% capacity. On May 15, 2020, the Governor announced an expanded phase one opening and on June 3, 2020, the Governor announced most of the State would enter phase two of reopening effective June 5, 2020. On September 25, 2020, the Governor announced the State would enter phase three of reopening effective immediately which effectively lifted all COVID-19 restrictions on restaurants and other businesses. In December, 2020, COVID-19 vaccines were approved and began to be administered under emergency use authorizations. The City began scheduling individuals for the first dose of a two dose series of COVID-19 vaccine the week of January 25, 2021 and has since also been scheduling individuals for the single-dose Johnson & Johnson vaccine. The efficacy of the vaccines could be impacted by the spread of new variants of COVID-19, which may be more highly transmissible.

COVID 19 has had little impact on the City's revenues. While some revenue sources (gas taxes, for example) experienced slight declines, Revenue Sharing was down 10.47% but sales tax up 3.8% because of the City's growth and conservative projections, there has been very little impact on the City.

While many of the effects of COVID-19 may be temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies. The continued existence or spread of COVID-19, and measures taken to prevent or reduce it, have adversely impacted state, national and global economic activities and, accordingly, could adversely impact financial condition, performance and credit ratings in the future (see "RATING" herein).

3. The City, like many other governmental entities, relies on a technology environment to conduct its operations. As such, it may face multiple cyber security threats including but not limited to, hacking, viruses, malware and other attacks on computers, other sensitive digital systems, and networks. There can be no assurance that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. The City staff participate in cyber security training and the City has a Security Education Training and Awareness (SETA) Policy that is enforced via the City Manager as a City-wide policy to conduct annual cybersecurity training with quarterly Phishing campaigns combined with other daily, weekly, monthly and/or event driven security awareness activities. Additionally, the City maintains cyber liability insurance that is renewed on an annual basis.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of the proceeds to be received from the sale of the Series 2021 Bonds and other legally available funds of the City:

Sources of Funds:

Principal Amount of Series 2021 Bonds	\$
Plus/Less [Net] Original Issue Premium/Discount	
Other Legally Available Funds	
Total Sources of Funds	\$

Uses of Funds::

Deposit to Construction Fund	\$
Deposit to Escrow Fund	
Costs of Issuance ⁽¹⁾	
Total Uses	\$

⁽¹⁾ Includes financial advisory fees, legal fees, Underwriters discount, rating agency fees, printing costs and other miscellaneous costs of issuance.

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DEBT SERVICE SCHEDULE

The following table sets forth the annual debt service schedule for the Series 2021 Bonds.

Bond Year Ending <u>September 1</u>	<u>Principal</u>	<u>Interest</u>	Total <u>Debt Service</u>
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
TOTAL			

THE CITY

The City is a municipal corporation incorporated in 1961. It is a residential community located in the southern part of the County. The City encompasses approximately 120.4 square miles of the 572 square miles of the County. The City is located one hundred miles north of the City of Miami, 50 miles north of the City of West Palm Beach and about 65 miles south of the City of Melbourne. The City is served by three major north-south Florida highways: Interstate 95, the Florida Turnpike, and U.S. Highway 1. The permanent population of the City is estimated by the US Census Bureau at 185,843 people as of April 1, 2018.

The City is governed by the provisions of its Charter. Under the Charter, the City functions as a home rule government under the Florida Constitution and general laws of the State.

The City operates under a Mayor/Council/Manager form of government. The City Council, comprised of the Mayor and four Council members, is the primary governing body of the City. All City Council Members and the Mayor are elected to a four year term.

<u>Name</u>	<u>Title</u>	<u>End of Current Term</u>
Shannon M. Martin ⁽¹⁾	Vice Mayor	November 2022
Stephanie Morgan	Councilwoman	November 2022
David Pickett	Councilman	November 2024
Jolien Caraballo	Councilwoman	November 2024

⁽¹⁾ The Mayor accepted a job elsewhere, and on July 1, 2021 the Vice Mayor assumed all Mayoral responsibilities. A special election will be required to fill the Mayor's position, with a primary to be held on September 21, 2021 and a general election on December 7, 2021.

City Management

The City Manager is appointed by majority vote of all members of the City Council. The City Manager is the chief administrative officer of the City and is responsible to the City Council for the administration of all City affairs placed in his charge by or under the City Charter.

Russell D. Blackburn became City Manager on November 21, 2016. Mr. Blackburn has served several leadership capacities in city and local government for most of his career. Immediately prior to joining the City, Mr. Blackburn served as the city manager of the City of Gainesville, Florida for over 10 years. He also served as the county administrator for Martin County, Florida for 8 years. Mr. Blackburn has had leadership roles on many different boards and in various governmental organizations. He earned his Bachelor of Arts degree from Valdosta State University and his Masters of Public Administration from Georgia Southern University.

Legal services are provided to the City by the Office of the City Attorney. The City Attorney is appointed by the City Council. The mission of the Office of the City Attorney is to protect and preserve the legal, ethical and financial integrity of the City through its City Council and representative officials by providing quality legal services through zealous advocacy, innovative legal solutions, uncompromised integrity and professional diligence. The City Attorney, supported by a staff of Assistant City Attorneys, Staff Attorneys, administrative personnel, and specialized outside counsel, as necessary, represents the City Council and all other departments, divisions, boards and offices in all legal matters affecting the City.

James D. Stokes was appointed as the City Attorney on April 22, 2019, bringing over 24 years of experience serving as a local government attorney to the City. Prior to that, he served as Interim City Attorney. Mr. Stokes is Board Certified as a Specialist by The Florida Bar in the area of City, County & Local Government Law, as well as Labor & Employment Law. In addition to working as the chief legal advisor to four different cities in Central and South Florida, he has served as outside legal counsel to over 45 different local government entities throughout California and Florida. Prior to becoming a lawyer, Mr. Stokes enjoyed a 12 year career as a sworn law enforcement officer in Southern California. Mr. Stokes holds a Bachelor of Science in Business Management from the University of Redlands and a Juris Doctorate from Southwestern University School of Law in Los Angeles.

Financial Services

The City's Chief Financial Officer is responsible for the fiscal affairs, financial management and related systems for the City. The City maintains sophisticated systems for the effective management of its debt, investments, pensions, and related reporting thereon.

Jeffery L. Snyder is the Chief Financial Officer for the City. Prior to this appointment with the City, Mr. Snyder was Chief Financial Officer for the City of Delray Beach, Florida; Finance Director for the City of Venice, Florida; Director of Fiscal Operations and Chief Accountant for the City of Lubbock, Texas; the Accounting Manager for Spokane County, Washington; and an Audit Manager for the Washington State Auditor's Office. Mr. Snyder has more than 30 years of experience in municipal corporation finance, budgeting, and accounting. He is a licensed Certified Public Accountant. Mr. Snyder holds a Master's in Business Administration from Western Washington University, and a Bachelor of Science with emphasis in accounting from University of Montana.

For more information on the City and the County, see "APPENDIX A - General Information Regarding the City of Port St. Lucie and St. Lucie County, Florida."

Financial Reserve Policy

On September 14, 2020, the City Council approved Resolution 20-R104 which repealed the previous financial reserve policy adopted by Resolution 17-R23 and approved a new Financial Reserve/Fund Balance Policy (the "Financial Reserve Policy"). The Financial Reserve Policy sets Unassigned Reserves (as defined in the Financial Reserve Policy) for the General Fund at a minimum of 20% of the operating budget, for the Road & Bridge Fund at a minimum of 17% of the operating budget, for the Enterprise Funds at a minimum of 17% of the operating budget and the Building Department Special Revenue Fund at 50% of the operating budget. The Financial Reserve Policy does not set minimum Unassigned Reserves/Unrestricted Net Position for all funds not separately identified by name in the Financial Reserve Policy. The Financial Reserve Policy will allow the City to be prepared for continuity of operations in the event of an emergency, such as a hurricane, flood, terrorism, pandemic, and state budget reduction, among others. If circumstances require the use of the emergency reserves and a fund does not meet the established minimums, the City Manager will present a fiscal plan to replenish the reserves to be reviewed/modified and approved by City Council. The replenishment plan submitted will not exceed five (5) years in duration, but may be extended for up to five (5) additional years upon City Council approval.

LEGALITY FOR INVESTMENT

The Series 2021 Bonds constitute legal investments in the State for state, county, municipal and all other public funds and for banks, savings banks, insurance companies, executors, administrators, trustees and all other fiduciaries, and also constitute securities eligible as collateral security for all state, county, municipal and other public funds.

PENSION PLANS

The City has one single employer defined pension plan and is a participant in one multi-employer defined pension plan for members of the City Council, the Florida Retirement System ("FRS").

The City accounts for single employer plan as pension trust funds; which is substantially in the same manner as proprietary funds with economic resources measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions, and contributions from other entities, including rollovers by participants from other plans, are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due in accordance with terms of the plans. Plan assets are valued at fair value for financial statement purposes, as reported by the custodial agents.

The City has three Defined Benefit Plans: General Employees Plan, Police Officers 401A Plan, and the Employees 401A Plan. Ordinance (77-25), as amended by subsequent City Ordinances, established Defined Benefit Plans for City employees. Currently the City's contribution rate to the Defined Benefit Plan for General Employees 401A Plan is 11.4%, and the Police Officers 401A Plan is 10.5% of covered payroll. Vesting allows 100% after five (5) years or when reaching 55 years of age.

Both the City's defined pension plans are presented in accordance with GASB Statement No. 67, "Financial Reporting for Pension Plans" and GASB Statement No. 18, "Accounting and Financial Reporting for Pensions. These statements replace GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers", and GASB Statement No. 50, "Pension Disclosures". GASB 68, enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Current Membership of Pension Plans:

Current membership, as of September 30, 2020 in the FRS and the Municipal Police Officers' Retirement Trust Fund were as follows:

	Municipal Police Officer's Retirement <u>Trust Fund</u>	Florida Retirement <u>System</u>
Inactive plan members of beneficiaries currently receiving benefits	88	0
Inactive plan members entitled to but not yet receiving benefits	8	0
Active plan members	<u>216</u>	<u>5</u>
	<u>312</u>	<u>5</u>

The following summarizes the pension related amounts for the City as of the indicated measurement dates:

	Measurement Date	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Police Pension	9/30/2020	\$21,910,193	\$8,287,699	\$956,333	\$6,489,530
FRS	6/30/2020	1,009,193	342,923	59,222	234,791
HIS	6/30/2020	<u>70,142</u>	<u>16,550</u>	<u>9,586</u>	<u>5,620</u>
		<u>\$22,989,528</u>	<u>\$8,647,172</u>	<u>\$1,025,141</u>	<u>\$6,729,941</u>

Defined Benefit Pension Plan - Municipal Police Officers' Retirement Trust Fund Plan Description

The Municipal Police Officers' Retirement Trust Fund (plan), which is a single-employer defined benefit public employee's retirement system (PERS), was established under the provisions of Chapter 185 of the Statutes of the State of Florida, and is accounted for in the Municipal Police Officers' Retirement Trust Fund. The plan is managed and administered by the five-member Retirement Board, which includes two Council appointees, two members of the department elected by the membership, and a fifth member elected by the other four and appointed by the Council.

Plan Membership as of October 1, 2020

Inactive plan members of beneficiaries currently receiving benefits	88
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>216</u>
	<u>312</u>

Benefits Provided

The plan provides for normal retirement at age 55 with 10 years of service or age 52 with 25 years of service. Normal retirement benefits are calculated at 3.27% per service year based on the participant's compensation of the highest 5 years of employment. Early retirement is provided for members age 50 with 10 years of credited service, reduced by 3.00% per year. Under the provisions of the plan, pension benefits vest fully after 5 years of full-time employment as a sworn police officer.

Contributions

Plan Members contribute 9.0% of pensionable wages and the City contributes the annual required contribution. For the year ending September 30, 2020, the City contributed 37.57% of covered payroll. Additionally, the State collects a 0.85% tax on premiums for casualty insurance and remits those collections to the City annually. The state contributions are recorded as revenue and personnel fringe benefit expenditures in the City's general fund before being recorded as a contribution to the plan.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of October 1, 2020.

The components of the Net Pension Liability of the City on September 30, 2020 were as follows:

Total pension liability	\$149,135,518
Plan fiduciary net position	<u>(127,225,325)</u>
Sponsor's net pension liability	<u>\$21,910,193</u>
Plan fiduciary net position as a percentage of total pension liability	85.31%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2020, using the following actuarial assumptions:

Inflation	2.50%
Salary increases	Service based
Discount rate	7.30%
Investment rate of return	7.30%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year

Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

The actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study dated July 10, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2020, the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-range expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
All cap value equity	22.50%	7.50%
Broad growth equity	22.50	7.50
Index Core	5.00	7.50
International Equity	15.00	8.50
Fixed Income (Core)	20.00	2.50
Global Bond	5.00	3.50
Real Estate	<u>10.00</u>	4.50
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at beginning of year	\$138,812,309	\$113,269,054	\$25,543,255
Charges for the year			
Service cost	4,375,113	-	4,375,113
Interest	10,306,034	-	10,306,034
Differences between expected and actual experience	777,841	-	777,841
Changes in assumptions	(800,257)	-	(800,257)
Changes in benefits terms	317,775	-	317,775
Contributions - employer	-	5,483,211	(5,483,211)
Contributions - state	-	1,646,819	(1,646,819)
Contributions - employee	-	1,705,535	(1,705,535)
Net investment income	-	9,976,537	(9,976,537)
Benefit payments, including refunds of employee contributions	(4,653,297)	(4,653,297)	-
Administrative expenses	-	(202,534)	202,534
Net change	<u>10,323,209</u>	<u>13,956,271</u>	<u>(3,633,062)</u>
Balances at end of year	<u>\$149,135,518</u>	<u>\$127,225,325</u>	<u>\$21,910,193</u>

Sensitivity of the net pension liability to changes in the discount rate:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
City's net pension liability	\$41,214,940	\$21,910,193	\$5,785,052

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in a separately issued plan financial report. That report may be obtained by contacting the Financial Management Department at the City of Port St. Lucie, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized a pension expense of \$6,489,530. On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Difference between expected and actual experience	\$3,083,181	\$270,401
Changes of assumptions	5,151,949	685,932
Net difference between Projected and Actual Earnings on Pension Plan Investments	<u>52,569</u>	<u>-</u>
Total	<u>\$8,287,699</u>	<u>\$956,333</u>

The following table represents amounts recognized in Deferred Inflows of Resources and Outflows of Resources related to pension expense.

Year Ending September 30,	
2022	\$1,686,465
2023	2,105,839
2024	2,126,376
2025	627,770
2026	788,118
Thereafter	<u>(3,202)</u>
Total	<u>\$7,331,366</u>

Defined Benefit Plan - FRS

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to elected official retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The FRS Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage

of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2020, were as follows:

	<u>FRS</u>	<u>HIS</u>
Elected officials	47.52	1.66

The employer's contributions for the year ended September 30, 2020, were \$77,365 to the FRS Pension Plan and \$3,310 to the HIS Program.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2020, the City reported a liability for its proportionate share of the net pension liability of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2020. The City's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	<u>FRS</u>	<u>HIS</u>
Net Pension Liability	\$1,009,193	\$70,142
Proportion at:		
Current measurement date	0.0023%	0.0006%
Prior measurement date	0.0022%	0.0005%
Pension expense (benefit)	\$234,791	\$5,620

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of resources	Deferred inflows of resources	Deferred Outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$38,624	\$-	\$2,869	\$54
Change of assumptions	182,696	-	7,542	4,079
Net difference between projected and actual earnings on pension plan investments	60,088	-	56	-
Changes in proportion and differences between City pension plan contributions and proportionate share of contributions	43,686	59,222	5,331	5,453
City pension plan contribution subsequent to the measurement date	<u>17,829</u>	<u>-</u>	<u>752</u>	<u>-</u>
Total	<u>\$342,923</u>	<u>\$59,222</u>	<u>\$16,550</u>	<u>\$9,586</u>

Deferred Outflows/Inflows of Resources Related to Pensions

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2021. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

	FRS	HIS
Year ending September 30:		
2021	\$58,405	1,531
2022	84,835	1,238
2023	71,792	132
2024	39,579	854
2025	11,261	1,027
Thereafter	-	1,429
Total	\$265,872	6,211

Actuarial Assumptions

The total pension liability for each of the defined benefit plans was measured as of June 30, 2020. The total pension liability for the FRS Pension Plan was determined by an actuarial valuation dated July 1, 2020. For the HIS Program, the total pension liability was determined by an actuarial valuation dated July 1, 2019 and using standard actuarial rolled-forward to develop the liability at June 30, 2020. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary increase	3.25	3.25
Investment rate of return	6.80	N/A
Discount rate	6.80	2.21

Mortality assumptions for the FRS Pension Plan were based on PUB2010 base tables projected generationally with Scale MP-2018. Mortality assumptions for the HIS Program were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%. The assumed rate of inflation was decreased from 2.60% to 2.40%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%. The assumed rate of inflation was decreased from 2.60% to 2.40%. Mortality assumptions for the HIS Program were changed from the Generation RP-2000 with Projection Scale BB to the PUB2010 base tables projected generationally with Scale MP-2018.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model developed during 2020 by an outside investment consultant to the Florida State Board of Administration. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption of 2.40%.

For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

	Target Allocation (1)	Annual Arithmetic Return	Compound Annual Geometric Return
Cash	1.0	2.2	2.2
Fixed income	19.0	3.0	2.9
Global equity	54.2	8.0	6.7
Real estate	10.3	6.4	5.8
Private equity	11.1	10.8	8.1
Strategic investments	<u>4.4</u>	5.5	5.3
	<u>100.0</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.80%. The 6.80% reported investment return assumption differs from the 7.00% investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards. FRS' fiduciary net position was projected to be

available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis and the depletion date is considered to be immediate, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS			HIS		
	Current			Current		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	<u>5.80</u>	<u>6.80</u>	<u>7.80</u>	<u>1.21</u>	<u>2.21</u>	<u>3.21</u>
City's proportionate share of the net pension liability	\$1,611,512	\$1,009,193	\$506,134	\$81,081	\$70,142	\$61,188

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the FRS in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2020, totaled \$0.

For more information regarding the City's Pension Plans, see the Audited Financial Statements for the City's Fiscal Year ended September 30, 2020 in APPENDIX B attached hereto.

OTHER POST-EMPLOYMENT BENEFIT PLANS

Section 112.0801, Florida Statutes, requires all public employers to allow their retirees to participate in the same health group plan offered to their active employees. The City operates a self-funded plan for health, dental, vision and life insurance benefits. All financial activities of the self-funded plan are recorded in the Internal Service Fund. Substantially all the City's full-time employees may become eligible for those benefits if they reach normal retirement age while working for the City. The City recognizes the costs associated with providing these benefits as claims are paid. Funding of the plan is from various funds of the

City that incur payroll related expenses, such as the General Fund, Road & Bridge Fund and Utility System Fund. These funds have also expended money in the past to liquidate the other post-employment benefit ("OPEB") net OPEB liability.

The Other Post Employment Benefit plan is a single-employer benefit plan administered by the City. Retirees' are charged the same rate by the City as active employees. Premiums charged by the City are a blended rate based on the experience of younger active employees and older retired employees. Since retirees have higher costs yet pay the same rate as younger active employees, the blended rate creates an implicit rate subsidy for retirees.

The City offers a Health Insurance Premium Subsidy to select retirees. The Health Insurance Subsidy is not contingent on continuing medical coverage through the City. The Subsidy is equivalent to a portion of the cost of single medical coverage through the City. The portion payable at retirement is 5% per each year of service up to a maximum of 80%. The portion payable for total and permanent disability incurred in the line of work is 100%. To be eligible for the Premium Subsidy a participant must meet the following qualifications:

- (a) be an eligible employee as of the inception of the policy on 10/1/2005 and hired prior to 10/25/2010, and
- (b) retire:
 - (1) at age 55 with 10 years of service for general employees, or
 - (2) at age 52 with 10 years of covered service for sworn officers.

For more information regarding the City's Post-Employment Benefit Plans, see the Audited Financial Statements for the City's Fiscal Year ended September 30, 2020 in APPENDIX B attached hereto.

ECONOMIC DEVELOPMENT PROJECTS

Between the years 2006 and 2010, a prior City Council and administration embarked on several economic development projects within the City and issued debt obligations on behalf of such projects. In addition to revenues supporting the projects, the City covenanted to budget and appropriate non-ad valorem revenues in the event of a shortfall of the primary revenues securing the debt. In addition to the other debt supported by the City's non-ad valorem revenues, the described projects below are expected to be supported by the City's non-ad valorem revenues.

"Tradition" is a large-scale, master planned community encompassing approximately 8,200 acres located within the boundaries of the City. A special assessment district was created to finance the construction of roadway, potable water, wastewater and stormwater improvements, within or for the benefit of properties within the special assessment district. Although subsequently refunded in 2016, in 2007 the City issued \$155,840,000 of bonds secured by and payable from special assessments and further secured by a covenant of the City to budget and appropriate Non-Ad Valorem Revenues, in the event that special assessment revenues were not sufficient to pay debt service. The master developer of Tradition disclosed its intent to divest its assets and to not pay taxes or assessments on any unsold parcels (approximately 1,247 acres) for tax year 2017 and in the future and offered to transfer such parcels to the

City. On March 29, 2018, the City Council conceptually approved the transfer of the 1,247 acres from the master developer to the City and directed the City Manager to conduct due diligence on the property and negotiate the documents to finalize the transfer. On or about June 28, 2018, the Port St. Lucie Governmental Finance Corporation (the "PSLGFC"), a not-for-profit corporation controlled by the City, entered into a Transfer Agreement with Tradition Land Company, LLC, the master developer, for the transfer of 1,223.35 acres. To date, PSLGFC has closed Purchase and Sale Agreements on 122.79 acres, has executed Purchase and Sale Agreements on 131.07 acres, and has executed a Purchase Option Agreement on 205.21 acres. These sales will absorb a portion of the annual debt service and generate new job opportunities in the City.

The Vaccine Gene and Therapy Institute ("VGTI") was a biotech institute located in the City as a result of incentives provided by the State and the City. In 2010, the State provided a grant of \$60,000,000 to VGTI and the City backed the \$64,035,000 Research Facilities Revenue Bonds, Series 2010 (Oregon Health and Science University Vaccine and Gene Therapy Institute Florida Corp. Project) (the "VGTI Bonds") where the City pledged to replenish the debt service reserve account in the event that VGTI failed to make the regularly scheduled debt service payments. In May 2015, VGTI failed to make the regularly scheduled debt service payment of \$2,618,106. In August 2015, the VGTI Bonds trustee notified the City of the obligation to replenish the debt service reserve account. VGTI ceased operations on October 1, 2015. Since the City is obligated to replenish the debt service reserve account, the City must fund all future debt service payments. The City has made all required payments to date. The City obtained ownership of VGTI on August 11, 2017 pursuant to a transfer agreement among the City, VGTI and the trustee for the VGTI Bonds. The City has actively marketed the Research Facility for sale, lease or other use and received its first reasonable offer to purchase the Research Facility from RER Ventures LLC. RER Ventures LLC withdrew the offer to purchase in November 2018. The City has entered into a Lease with Purchase Option Agreement for the Research Facility with Cleveland Clinic Florida (the "the Research Facility Lessee"). The lease payment is equal to the annual debt service and real estate tax obligations for the property. The lease of the Research Facility will generate new job opportunities in the City.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2021 Bonds are subject to the legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, whose fees and expenses for legal services as Bond Counsel will be paid by the City from a portion of the proceeds of the Series 2021 Bonds. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2021 Bonds, will be delivered at the time of original delivery.

The proposed text of Bond Counsel's current legal opinion is set forth as APPENDIX D. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of the opinion by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Certain legal matters incident to the issuance of the Series 2020 Bonds will be passed upon for the City by James D. Stokes, Esq., City Attorney and Bryant Miller Olive P.A., Miami, Florida, Disclosure Counsel. The Underwriters are being represented by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida.

LITIGATION

There is no pending or, to the knowledge of the City, any threatened litigation against the City which in any way questions or affects the validity of the Series 2021 Bonds, or any proceedings or transactions relating to their issuance, sale or delivery, or the enactment or adoption of the Resolution, as the case may be, or which may materially adversely affect the imposition, collection and pledge of the Pledged Funds for the payment of the Series 2021 Bonds.

While the City is a party to various legal proceedings that normally occur in governmental operations and are incidental to the conduct of municipal affairs, including but not limited to various tort and contract suits, suits and proceedings alleging violations of individual rights, and matters involving claims relating to land development, property damage, employee liability and workers' compensation, based on past experience, the City does not believe such matters will adversely affect the City's ability to pay principal of and interest on the Series 2021 Bonds when due.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "Commission"). Pursuant to administrative rulemaking, the Commission has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond, note or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest since December 31, 1975 that would be considered material by a reasonable investor in the Series 2021 Bonds.

The City has not undertaken an independent review or investigation of securities for which it has served as conduit City. The City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2021 Bonds because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as APPENDIX D hereto, the interest on the Series 2021 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions. Failure by the City to comply subsequently to the issuance of the Series 2021 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2021 Bond proceeds and the timely payment of certain investment earnings to the

Treasury of the United States, may cause interest on the Series 2021 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2021 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2021 Bonds, including, among other things, restrictions relating to the use of investment of the proceeds of the Series 2021 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2021 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2021 Bonds being included in gross income for federal income tax purposes retroactive to their date of issue.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should be aware that the ownership of the Series 2021 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2021 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2021 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2021 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2021 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2021 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2021 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Series 2021 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2021 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2021 Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2021 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2021 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2021 Bonds and their market value. No assurance can be given that additional legislative proposals

will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2021 Bonds.

Original Issue Discount

Certain of the Series 2021 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bonds and will increase its adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

Certain of the Series 2021 Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATING

S&P has assigned a rating of "___" (_____ outlook) to the Series 2021 Bonds. Such rating reflects only the view of such organization at the time such rating was issued. An explanation of the significance

of such rating can be received from the rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency, if in its judgment, circumstances so warrant. A downward change in or withdrawal of the rating may have an adverse effect on the market price of the Series 2021 Bonds.

FINANCIAL ADVISOR

PFM Financial Advisors LLC, Orlando, Florida serves as Financial Advisor to the City. The Financial Advisor assisted the City in the preparation of this Official Statement and in other matters relating to the planning, structure and issuance of the Series 2021 Bonds, and provided other advice. However, the Financial Advisor has not been engaged and is not obligated to undertake and has not undertaken to make, independent verification of the accuracy, completeness, or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The Audited Financial Statements for the Fiscal Year ended September 30, 2020, appended hereto as APPENDIX B, have been audited by Carr, Riggs & Ingram, LLC, independent certified public accountants, as set forth in its report dated March 31, 2021, which report is also appended hereto. Such financial statements, including the auditor's report, have been included in the Official Statement as public documents and consent from the auditor was not requested. The auditor has not performed any service related to, and therefore is not associated with, the preparation of this Official Statement.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Series 2021 Bondholders to provide certain financial information and operating data relating to the City and the Series 2021 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The City has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the Securities and Exchange Commission (the "SEC") to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934 (the "Rule"). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The City has agreed to file notices of certain enumerated material events, when and if they occur, with the Repository either itself or through its dissemination agent. Currently, the City's dissemination agent is Digital Assurance Certification, L.L.C.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the City prior to the issuance of the Series 2021 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2021 Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. With respect to prior continuing disclosure undertakings, the City (i) did not timely file its financial statements and operating data for the fiscal year ended September 30, 2017 with respect to certain bonds which are no longer

outstanding (such filings were made one day late) and (ii) failed to include an update to certain operating data for the Fiscal Year ended September 30, 2018 in its annual filing relating to the Community Redevelopment Area Bonds, Series 2016. All such failures have been cured as of the date hereof. The City has engaged Digital Assurance Certification, L.L.C., as its dissemination agent.

UNDERWRITING

PNC Capital Markets LLC, on behalf of itself and Raymond James & Associates, Inc. (the "Underwriters") have agreed, subject to certain conditions precedent set forth in a Purchase Contract with the City, to purchase the Series 2021 Bonds from the City, at a price of \$_____ (\$_____ par amount less an Underwriters' discount of \$_____ plus/less [net] original issue premium/discount of \$_____). The Underwriters have furnished the information on the inside cover page of this Official Statement pertaining to the public offering prices of the Series 2021 Bonds. The public offering prices of the Series 2021 Bonds may be changed from time to time by the Underwriters, and the Underwriters may allow a concession from the public offering prices to certain dealers. None of the Series 2021 Bonds will be delivered by the City to the Underwriters unless all of the Series 2021 Bonds are so delivered.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they have received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

PNC Capital Markets LLC and PNC Bank, National Association are both wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association has banking and financial relationships with the City.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2021 Bonds. Payment of the fees of Bond

Counsel, Disclosure Counsel, the Financial Advisor and an underwriting discount to the Underwriters, including the fees of its counsel, are each contingent upon the issuance of the Series 2021 Bonds.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2021 Bonds, the security for the payment of the Series 2021 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the City from the date hereof.

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements" concerning the City's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the City. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

MISCELLANEOUS

The references, excerpts and summaries of all documents, resolutions and ordinances referenced herein do not purport to be complete statements of the provisions of such documents, resolutions and ordinances, and reference is directed to all such documents, resolutions and ordinances for full and complete statements of all matters of fact relating to the Series 2021 Bonds, the security for and the repayment of the Series 2021 Bonds and the rights and obligations of the Bondholders thereof.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the City. At the time of delivery of the Series 2021 Bonds, the City will furnish a certificate to the effect that nothing has come to its attention which would lead it to believe that the Official Statement (other than information herein related to DTC, the book-entry only system of registration and the information contained under the caption "TAX MATTERS" as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2021 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

The execution and delivery of this Official Statement has been duly authorized by the City.

CITY OF PORT ST. LUCIE, FLORIDA

By: _____
Name: Shannon M. Martin
Title: Vice Mayor

By: _____
Name: Sally Walsh
Title: City Clerk

By: _____
Name: Jeffery L. Snyder
Title: Chief Financial Officer

APPENDIX A

**GENERAL INFORMATION PERTAINING TO
THE CITY OF PORT ST. LUCIE AND ST. LUCIE COUNTY, FLORIDA**

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY OF PORT ST. LUCIE AND ST. LUCIE COUNTY, FLORIDA

THE FOLLOWING INFORMATION CONCERNING THE CITY OF PORT ST. LUCIE, FLORIDA AND ST. LUCIE COUNTY, FLORIDA, IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE SERIES 2021 BONDS ARE PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE OFFERING STATEMENT TO WHICH THIS INFORMATION IS APPENDED, AND ARE NOT GENERAL OBLIGATIONS OF THE CITY, THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE CITY, THE COUNTY, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF IS REQUIRED TO LEVY ANY TAX FOR PAYMENT OF THE SERIES 2021 BONDS.

LOCATION

The City of Port St. Lucie (the "City") is a residential community in the southern part of St. Lucie County, Florida (the "County"), and was incorporated in 1961. The City currently occupies 120 square miles. The City of Port St. Lucie is strategically located 100 miles north of the City of Miami, 50 miles north of the City of West Palm Beach and 120 miles south of the City of Orlando. The City is served by three major north south Florida highways: Interstate 95, the Florida Turnpike and U.S. Highway No. 1, and is located near a seaport, an international airport and has railway access.

Below is a table which shows the relative number of square miles of each incorporated municipality within the County and of the unincorporated area of the County:

<u>Land Area</u>	<u>Square Miles</u>
City of Port St. Lucie	120.4
City of Fort Pierce	29.0
St. Lucie Village	1.0
Unincorporated Area	421.6
St. Lucie County total	572.0

Source: Planning and Zoning Department, City of Port St. Lucie.

GOVERNMENT

The City operates under a Mayor/Council/Manager form of government. The City Council, comprised of the Mayor and four Council members, is the primary governing body of the City. Pursuant to an amendment to the City's Charter, in November 2002, the Mayor and two City Council Members were elected to a four year term and the remaining City Council Members were elected for a two year term. Thereafter, all City Council Members and the Mayor will be elected to a four year term. The City Manager is the chief administrative officer responsible to the City Council.

POPULATION

Currently more than 63% of the County's population resides within the City, less than 14% resides within the City of Fort Pierce, 0.2% resides within St. Lucie Village and the balance of the County's population resides in the unincorporated area of the County.

The City's population increased from 50 in 1960, the year before the City's incorporation, to 88,769 in 2000. The City is part of the Martin/St. Lucie Standard Metropolitan Statistical Area (SMSA), which has a population of 489,276 as of the 2019 census. The following table sets forth the population trends in the City, the County and the State from the years 1960 through 2000 and the City's, the County's and the State's population for the years 2009 through 2020. The City's estimated population as of January 5, 2021 was 202,914.

City of Port St. Lucie and St. Lucie County, Florida Population Trends 1960-2020

<u>Year</u>	<u>City of Port St. Lucie</u>	<u>Average Annual Percentage Increase</u>	<u>St. Lucie County</u>	<u>Average Annual Percentage Increase</u>	<u>State of Florida</u>	<u>Average Annual Percentage Increase</u>
1960	50	-	39,294	-	4,951,560	-
1970	330	56.0	50,837	2.9	6,789,437	3.7
1980	14,690	435.1	87,182	7.2	9,746,959	4.4
1990	55,761	28.0	150,171	7.2	12,937,926	3.3
2000	88,769	5.9	192,695	2.8	15,982,378	1.3
2009	155,251	(1.7)	272,864	(1.3)	18,748,925	0.3
2010	164,603	6.0	277,789	1.8	18,801,310	0.3
2011	166,041	0.9	279,696	0.7	19,057,542	1.4
2012	167,252	0.7	280,355	0.2	19,074,434	0.1
2013	167,914	0.4	281,151	0.3	19,259,543	1.0
2014	169,888	1.2	282,821	0.6	19,507,369	1.3
2015	174,132	2.5	287,749	1.7	19,815,183	1.6
2016	178,091	2.3	292,826	1.8	20,148,654	1.7
2017	181,284	1.8	297,634	1.6	20,484,142	1.7
2018	185,843	2.5	302,432	1.6	20,840,568	1.7
2019	191,903	3.3	309,359	2.3	21,208,589	1.8
2020	202,914	5.7	322,265	4.2	21,596,068	1.8

Source: University of Florida, Bureau of Economic and Business Research

BUDGET PROCESS

The City follows the procedures set forth in Chapters 166 and 200, Florida Statutes in establishing its budgetary data.

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and means of financing them. Public hearings are then conducted to obtain taxpayer comments on the operating budget.

The budget is legally enacted through the passage of an ordinance by the City Council on or before the thirtieth day of September of the year currently ending. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. Revisions that alter the budget totals of any department require approval of the City Council. Unencumbered appropriations lapse at fiscal year-end.

Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles, except that encumbrances are presented as expenditures.

Formal budget integration is not employed for proprietary, capital project or trust funds because effective budgetary control is achieved by alternate measures.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance for construction and long-term contracts and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Budgeted amounts are as originally adopted, or as amended by the City Council.

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SOURCES OF REVENUES OF THE CITY

Set forth below are the City’s sources of revenue for the last ten Fiscal Years:

**GENERAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
CITY OF PORT ST. LUCIE, FLORIDA**

Fiscal <u>Year</u>	<u>Taxes</u>	Licenses & <u>Permits</u>	Fines and <u>Forfeitures</u>	Inter- Govern- <u>Mental</u>	Charges for <u>Services</u>	Interest on <u>Investments</u>	<u>Miscellaneous</u>	Human <u>Services</u>	<u>Total</u>
2011	\$ 52,516,922	\$ 11,022,562	1,009,035	\$ 26,608,782	\$ 15,917,455	\$ 2,387,683	\$ 2,971,833	\$ 99,098	\$112,533,370
2012	52,664,169	11,857,491	1,298,268	24,842,507	17,463,400	1,999,832	1,788,598	106,485	112,020,750
2013	52,554,602	12,004,191	2,107,086	23,815,605	33,852,704	722,180	4,793,243	109,691	129,959,302
2014	53,676,014	13,498,879	2,974,283	25,013,772	32,573,400	561,573	2,324,218	100,829	130,722,968
2015	56,092,766	14,866,090	2,400,496	27,552,696	49,109,473	1,136,378	2,890,988	78,460	154,127,347
2016	65,730,532	16,576,124	2,275,03	38,874,481	54,419,081	970,966	4,153,471	61,886	180,786,541
2017	69,728,447	16,634,939	1,401,918	47,107,772	52,598,248	1,546,657	3,044,655	48,870	192,111,506
2018	75,094,507	20,169,455	1,321,259	55,965,001	45,210,292	1,276,096	2,761,931	51,135	201,849,676
2019	80,474,997	20,909,047	1,789,251	58,264,302	40,152,181	4,504,288	6,187,995	-	212,282,061
2020	85,461,617	22,399,903	1,513,050	46,618,703	42,309,965	3,592,288	4,149,716	-	206,045,242

Source: City of Port St. Lucie, Florida Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2020.

Set forth below are the City's expenditures by function for the last ten Fiscal Years:

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
CITY OF PORT ST. LUCIE, FLORIDA**

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Human Services	Culture and Recreation	Capital Outlay ⁽²⁾	Debt Service	Total ⁽¹⁾
2011	\$12,173,872	\$34,743,405	\$2,582,236	\$12,774,026	\$8,989,001	\$1,297,163	\$9,228,267	\$41,935,095	\$46,594,033	\$237,925,250
2012	14,061,451	34,889,571	1,226,884	16,621,657	9,259,342	1,226,221	9,954,625	-	53,827,519	141,067,270
2013	15,988,836	36,101,367	1,406,047	15,641,435	9,528,869	1,149,142	10,676,942	-	52,240,319	142,732,957
2014	9,736,915	41,849,736	422,095	19,736,039	4,692,918	1,298,293	16,186,300	-	59,194,463	153,136,759
2015	10,179,367	43,019,715	17,692,425	28,059,537	5,911,487	1,092,235	15,615,951	-	45,833,411	167,404,128
2016	10,911,222	45,564,571	8,838,042	25,343,943	12,216,119	1,204,125	14,331,630	-	53,691,274	182,100,926
2017	16,130,414	55,709,096	18,358,971	40,514,133	14,689,586	1,497,279	15,537,534	-	37,302,617	199,739,630
2018	13,966,732	54,905,623	18,373,558	57,251,395	9,859,368	1,674,827	21,375,515	-	35,088,264	212,495,282
2019	21,470,489	57,186,085	18,709,214	14,982,974	8,230,255	3,990,343	18,232,071	-	-	-
2020	22,828,572	57,932,782	20,314,510	49,931,569	8,156,385	4,869,705	17,405,183	28,909,236	-	-

⁽¹⁾ General governmental expenditures may be paid from sources other than General Fund revenues. Accordingly, the total amount of general governmental expenditures in a given Fiscal Year may exceed the total General Fund revenues for that fiscal year.

⁽²⁾ Starting in Fiscal Year 2012, Capital Outlay expenditures are included in their respective functional categories.

Source: City of Port St. Lucie, Florida Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2020.

Ten Largest Taxpayers

The following table shows the ten largest taxpayers located within the City for Fiscal Year ended September 30, 2020.

2019 Tax Roll Schedule of Ten Largest Taxpayers City of Port St. Lucie, Florida

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Valuation⁽¹⁾</u>	<u>Percentage</u>
Florida Power and Light Co	Utility	\$169,106,770	1.57%
Wal-Mart Sams Club	Retail Merchandising	71,493,353	0.66
KRG Port St. Lucie Landing LLC	Land Development	55,588,708	0.51
St. Lucie West 2016 LLC	Land Development	48,448,000	0.45
HCA	Healthcare	45,762,213	0.42
Benderson Development Co., Inc.	Land Development	41,674,400	0.39
Sandpiper Resort Property, Inc. Sandpiper Inc.	Resort Hotel	38,175,661	0.35
Comcast of FL/GA, LLC	Utility	26,957,047	0.25
Florida Gas Transmission Co., LLC	Utility	25,180,153	0.23
Grande Palms at Tradition LLC	Apartments/Condos	25,076,129	0.23
Total Taxable Assessed Value of 10 Largest Taxpayers		547,462,434	5.07
Total Taxable Assessed Value of Other Taxpayers		10,257,268,974	94.93
Total Taxable Assessed Value of All Taxpayers		<u>\$10,804,731,408</u>	<u>100.00%</u>

⁽¹⁾ Includes both real and personal property.

Source: City of Port St. Lucie, Florida Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2020.

Note: Tax Roll Year is January 1 to December 31. City's Fiscal Year is October 1 to September 30.

COMMERCE AND INDUSTRY

The City has a stable, diversified service sector base, and is a center for tourism, recreation, and residences. Major economic activities of the City and surrounding areas include construction, transportation, tourism, wholesale and retail trade, truck farming, citrus, cattle and major league sports. The New York Mets baseball team operates a team spring training complex within the City limits. The City has two Professional Golfers' Association of America (PGA) courses, one is PGA Village, a 54-hole public golf course with a state-of-the-art golf school, the PGA Learning Center, and the other is in an 18-hole private golf course, the PGA St. Lucie West Country Club located in the Village of St. Lucie West. In addition, there is the City-owned Saints Golf Course and many other privately owned golf courses in the City.

Although primarily planned and platted for low density single-family residential development, the City has worked to diversify its land uses to create a mix of housing types and to attract new industry. Several master planned communities are located within the municipal boundaries of the City.

- Ballantrae Golf and Yacht Club is a 402-acre planned community along the North Fork of the St. Lucie River that includes a Jack Nicklaus Signature Golf Course and 400 single family and multi-

family dwelling units plus a marina with 67 boat slips, a church, day care center, and planned additional residential dwelling units.

- St. Lucie West is a master planned community of approximately 4,600 acres consisting of single and multi-family housing in addition to commercial and industrial development. It is bordered by Interstate 95 to the west and Florida's Turnpike to the east. The community's baseball stadium, Tradition Field, serves as the spring training headquarters for the New York Mets. There are more than 6,000 homes in St. Lucie West housing nearly 15,000 residents.
- "Tradition" is a large-scale, master planned community encompassing approximately 8,200 acres. Tradition is located in the City's southwest annexation area near major transportation corridors, including Interstate-95 ("I-95"), Tradition Parkway and the Florida Turnpike, with five miles of continuous frontage along I-95, including three interchanges.
- With five miles of frontage along Interstate 95, Southern Grove is a 3,605-acre Development of Regional Impact (DRI) south of Tradition Parkway. It is recognized as the City's jobs corridor. It is approved for 7,388 residential units, 13,187,743 square feet of nonresidential development, 791 hotel rooms, and 300 hospital beds.
- The Tradition Center for Innovation and the Tradition Center for Commerce are both within the master planned community of Tradition. Located within the Southern Grove master planned development, the Tradition Center for Innovation is home to the 100,000 square foot Torrey Pines Institute for Molecular Studies and the Cleveland Clinic Martin Health. Tradition Center for Commerce is approximately 1,250 acres and is approved for a mix of uses including office, retail, industrial, multi-family residential, recreational/entertainment and other beneficial opportunities for citizens.
- Additional proposed developments in the southwest annexation area include a 3,800 acre GL Homes master planned development and a 2,500 acre Anasca Homes master planned development.
- There are several other planned communities within the City including Tesoro, Copper Creek, and Verano.
- Land adjacent to the North Fork of the St. Lucie River is utilized by Club Med Sandpiper Bay Resort. The Resort has the following facilities available: a large hotel, vacation villas, a marina, a golf course and restaurants.

Please see "ECONOMIC DEVELOPMENT PROJECTS" herein.

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**Principal Employers
St. Lucie County, Florida 2019**

<u>Employer</u>	<u>Number of Employees</u>
St. Lucie School Board	5,564
Indian River State College	2338
Lawnwood / HCA Medical	1615
Teleperformance	1600
City of Port St. Lucie	1164
Wal-Mart Retail & Distribution	890
Cleveland Clinic Martin Health System	850
St. Lucie Medical Center	850
St. Lucie County	797
Florida Power & Light Company	772

Source: City of Port St. Lucie, Florida Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2020.

**Personal Income
St. Lucie County, Florida**

<u>Fiscal Year</u>	<u>Total Personal Income (000's)</u>	<u>% Increase- (Decrease)</u>	<u>Per Capita</u>
2010	\$16,414,400	-	\$38,605
2011	17,507,000	6.66%	40,870
2012	19,202,500	9.68	44,428
2013	18,870,000	(1.73)	43,188
2014	20,715,000	9.78	46,672
2015	22,105,000	6.71	48,727
2016	23,614,000	6.83	50,134
2017	24,825,600	5.13	51,824
2018	26,140,273	5.29	54,228
2019	27,249,575	4.24	55,691
2020	N/A	N/A	N/A

Source: City of Port St. Lucie, Florida Comprehensive Annual Financial Reports, Fiscal Years Ended September 30, 2019 and 2020.

The unemployment rate for the County is generally higher than the unemployment rate for the State due, in part, to the greater dependence on agricultural and construction employment within the County and seasonal variations related to such employment. The City's unemployment rate is generally lower than the unemployment rate for the County due, in part, to the fact that the City does not heavily rely on the agricultural sector for employment.

**Labor Force
St. Lucie County, Florida**

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	Unemployment <u>Number</u>	Unemployment <u>Rate</u>
2011	127,910	111,837	16,073	12.6%
2012	128,364	113,893	14,471	11.3
2013	129,041	115,651	13,390	10.4
2014	130,404	119,663	10,741	8.2
2015	131,823	123,346	8,477	6.4
2016	135,657	127,736	7,921	5.8
2017	139,075	131,816	7,259	5.2
2018	142,627	136,218	6,409	4.5
2019	146,578	140,515	6,063	4.1
2020	145,526	134,060	11,466	7.9

Source: Florida Department of Economic Opportunity, Local Area Unemployment Statistics Program.

**Labor Force
State of Florida**

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	Unemployment <u>Number</u>	Unemployment <u>Rate</u>
2011	9,260,000	8,334,000	926,000	10.0%
2012	9,336,000	8,529,000	807,000	8.6
2013	9,415,000	8,706,000	709,000	7.5
2014	9,546,000	8,931,000	615,000	6.4
2015	9,640,000	9,107,000	533,000	5.5
2016	9,841,000	9,360,000	481,000	4.9
2017	10,032,000	9,606,000	426,000	4.2
2018	10,166,000	9,798,000	368,000	3.6
2019	10,330,000	9,991,000	339,000	3.3
2020	10,114,000	9,333,000	782,000	7.7

Source: Florida Department of Economic Opportunity, Local Area Unemployment Statistics Program.

**Construction and Property Value
Last Ten Years
City of Port St. Lucie, Florida**

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>
2011	188	\$20,315,132	245	\$52,119,534
2012	160	20,568,540	279	96,402,278
2013	430	50,306,661	292	59,575,324
2014	836	103,680,020	276	21,290,019
2015	928	121,984,614	353	42,343,799
2016	1,165	180,388,212	328	163,062,804
2017	1,492	207,284,671	367	57,745,656
2018	2,677	423,544,740	232	101,604,785
2019	2,546	503,001,543	242	172,844,438
2020	3,700	734,799,046	200	51,397,804

Source: City of Port St. Lucie, Florida Comprehensive Annual Financial Report, Fiscal Year Ended September 30, 2020.

Note: The construction permit data switched from calendar year (January 1 – December 31) to fiscal year (October 1 – September 30) starting with Year 2011 figures.

EDUCATIONAL FACILITIES

The County public school district has seventeen elementary schools, nine elementary/middle combination schools, four middle schools, one middle/high combination school, five senior high schools, two alternative schools, six magnet schools and two virtual schools.

There are eighteen private schools supplementing the public school system. Within the City, there are three institutions of higher education. The list includes two private colleges, Keiser University and Fortis Institute, and one public institution, the St. Lucie West campus of Indian River State College (IRSC). Keiser University focuses on vocational education, and associate, bachelor and graduate degrees for non-traditional students. Fortis University focuses on healthcare education. IRSC is a four-year state college located in Fort Pierce with locations in surrounding counties. It operates the Pruitt Campus in the master planned community of St. Lucie West. Bachelor degrees are offered in applied science, biology, education, nursing, and digital media as well as associate degrees.

AGRICULTURE

The County is the 4th largest aquaculture economy in the State and the 5th largest fruit-producing county in the State. According to the 2017 census, the County has a total area of approximately 572 square miles. Approximately sixty-two percent (62%) of the County's land is classified as agriculture. According to the U.S. Department of Commerce's 2017 Census of Agriculture, as of 2017 there were 415 counted farms in the County, encompassing approximately 225,971 acres. The market value of all agricultural products (i.e., crops and livestock) produced in the County amounted to \$139.6 million in sales.

TOURISM AND RECREATION

A combination of favorable climate and available recreational assets such as 21 miles of beaches, tennis courts, golf courses, world class fishing, and a thriving arts and culture scene has made tourism an important industry in the County. Within the County, there are 57 hotels, motels, RV parks, and campgrounds with approximately 4,800 total units. The County also has over 319 licensed dining establishments with an estimated seating capacity in excess of 27,000. The County has one inlet, located at its northeast corner and is connected to the federally-maintained Intracoastal Waterway. City residents have easy access to the Atlantic Ocean by way of the North Fork of the St. Lucie River through its protected, tree-lined waterway meandering through the City. Besides boating and fishing, the City maintains 151 acres of developed Community Parks, 102 acres of developed neighborhood parks and maintains an additional 659 acres of open space parks, natural resource based parks/preserves and a botanical gardens. Community parks have lighted facilities for organized athletic programs. The City also owns and operates the Saints Golf Course, an 18-hole championship golf course. The Port St. Lucie MIDFLORIDA Event Center is a unique, state-of-the-art 100,000 square foot facility, featuring two grand ballrooms, an outdoor amphitheater, festival grounds, recreation wing and outdoor Martin Health System Village Square and Stage. The Civic Center welcomes many for concerts, events, festivals and fitness and recreational opportunities.

TRANSPORTATION FACILITIES

Highways: Within its 120.4 square miles of area, the City provides approximately 911 miles of paved roads. The transportation network makes up approximately 7,000 acres which is 9% of the City's land area. The City has excellent access to three major north-south Florida highways. Both Interstate I-95 and the Florida Turnpike have interchanges in the City. U.S. Route 1 is the primary local highway with most of the area's commercial development along this corridor. The City has easy access to two principle east-west highways. State Road 76 connects Stuart to southwest Florida and State Road 70 provides connections to other Florida West Coast areas.

Bus and Taxi Service: The Treasure Coast Connector is the St. Lucie County public transportation system with bus service on 8 fixed routes throughout St. Lucie County. Greyhound Bus Lines has a terminal located in Port ST. Lucie near the I-95 and the Florida Turnpike interchanges, offering daily scheduled service for nationwide thru-line and charter service. The City has various taxi services and motor services to Palm Beach International Airport.

Rail Transportation: Freight service to the Port St. Lucie region is provided by the Florida East Coast Railroad which operates from Jacksonville to Miami. Passenger railway service is located in nearby West Palm Beach.

Sea Port: The Port of Fort Pierce, ten miles north of the City, is a deep water port accommodating ships of up to six hundred feet. Cargo traffic consists primarily of citrus, vegetables, and fertilizer. There is 64,000 square feet of dry storage and an additional 8,000 square feet of refrigerated storage in dock warehouses which are owned and operated by Indian River Terminal Company.

Airports: The St. Lucie County International Airport is located in nearby Fort Pierce and presently has three runways. In addition, the facility provides fuel, repair, hanger and U.S. customs and immigration services. Palm Beach International Airport (45 miles away from the City) is the closest major commercial traffic airport, servicing most U.S. airlines.

POLICE AND FIRE PROTECTION

The City's Police Department consists of approximately 238 authorized full-time sworn officers, 11 animal control personnel and 59 full-time civilian personnel, for a total of 308 full-time employees. The Department's budget for Fiscal Year 2020-2021 is \$51.4 million. It is estimated that the Department handled 154,789 calls for service in 2020 and of those calls 264 involved violent crimes (i.e. homicide, rape, robbery, aggravated assault). In 2020, 1,666 property offenses, which include burglary, theft, auto theft, were received by the Department. There were 5 reported homicides in 2020.

There are a number of programs offered to residents: a close patrol plan of homes belonging to seasonal residents, an infant car seat loan program, an active neighborhood crime watch program, Police Athletic League, Domestic Violence Security Program, Victim Assistance/Advocate and Reverse 911 System. As part of the local justice system, there are programs (such as the Juvenile Restorative Justice Initiative (which includes teen court, peer review, and a Juvenile Counselor) available for youth offenders, Police Explorers, Volunteer Program, Sexual Offender Monitoring, and School Resource Officers.

Fire services for the City are provided by the St. Lucie County Fire District (the "Fire District"), a county-wide entity providing fire/rescue services to all incorporated and unincorporated areas of the County. The Fire District has seventeen stations located throughout the County with eight stations within the city limits of the City.

EMPLOYEE RELATIONS

The City currently maintains 1,100 full-time equivalent allocated positions, as authorized by the City Council. Under the Constitution of the State, employees have the right to join together for the purposes of collective bargaining. The City has six (6) active unions, including the International Association of Police Officers (IUPA) with one unit representing the Police Officers, one unit representing the Police Sergeants, and one unit representing the Police Lieutenants. The Federation of Public Employees (FOPE) represents general employees, the Government Supervisors Association of Florida, Local 100 (OPEIU/Supv.) represents supervisors, and The Government Supervisors Association of Florida, Local 100 (OPEIU/Prof.) represents professional workers. Strikes by municipal employees, under any conditions, are prohibited by the Florida Constitution. The City maintains a Civil Service Appeals Board. Employees may be removed for cause.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020 OF THE CITY OF PORT ST. LUCIE, FLORIDA**

Set forth in this Appendix B are excerpts of the City's Comprehensive Annual Financial Report, including the audited Financial Statements of the City for the Fiscal Year ended September 30, 2020. These financial statements are included in this Official Statement as a public document.

THE CONSENT OF CARR, RIGGS & INGRAM, LLC WAS NOT REQUESTED. CARR, RIGGS & INGRAM, LLC WAS NOT REQUESTED TO PERFORM AND HAS NOT PERFORMED ANY SERVICE IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, AND IS THEREFORE NOT ASSOCIATED WITH THE OFFERING OF THE SERIES 2021 BONDS.

APPENDIX C
COPY OF ORDINANCE AND RESOLUTION

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

EXHIBIT D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

**FORM OF
CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Port St. Lucie, Florida (the "Issuer") in connection with the issuance of its \$_____ City of Port St. Lucie, Florida Capital Improvement and Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds").

The Series 2021 Bonds are being issued under the authority of, and in full compliance with, the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Chapter 218 parts II and VI, Florida Statutes, the Charter of the City, Ordinance No. ___-__ enacted by the City Council of the Issuer (the "City Council") on August 23, 2021, and other applicable provisions of law, and Resolution No. ___-__ adopted by the City Council on August 23, 2021, as the same may be amended and supplemented (the "Resolution"). Capitalized terms used but not otherwise defined herein shall have the same meaning as when used in the Resolution unless the context would clearly indicate otherwise. The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Series 2021 Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2021 Bonds (including persons holding Series 2021 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2021 Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially, Digital Assurance Certification LLC, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a

court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2021 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Series 2021 Bonds required to comply with the Rule in connection with offering of the Series 2021 Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than April 30th after the end of the Issuer's last fiscal year (presently ends September 30), commencing with the report for the 2020-2021 fiscal year, provide to any Repository in the electronic format as required and deemed acceptable by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report only if they are not available by that date so long as they are provided when they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer by telephone

and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Issuer shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

- (c) The Dissemination Agent shall:
 - (i) determine each year prior to the date for providing the Annual Report the name and address of any Repository;
 - (ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing any Repository to which it was provided; and
 - (iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated _____, 2021 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) An update of the following financial information and operating data from the Official Statement presented in a manner consistent with the presentation of such information in the Official Statement:

1. Historical Half-Cent Sales Tax Collections; and

2. Historical Collections of Revenues from Revenue Sharing Trust Fund for Municipalities.

Relating to information to be provided to EMMA, the information provided under Section 4(b) may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from EMMA. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2021 Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2021 Bonds, or other material events affecting the tax status of the Series 2021 Bonds;
7. modifications to rights of the holders of the Series 2021 Bonds, if material;
8. Series 2021 Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2021 Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a

definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) The category of information being provided;
- (b) The period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) The issues or specific securities to which such documents are related (including CUSIPs, City name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) The name of any Obligated Person other than the Issuer;
- (e) The name and date of the document being submitted; and
- (f) Contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2021 Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Series 2021 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENTS. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or

report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2021 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Series 2021 Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Series 2021 Bonds.

Notwithstanding the foregoing, the Issuer shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer, as applicable, shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Series 2021 Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Series 2021 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, as applicable, to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Series 2021 Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Series 2021 Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

[Remainder of page intentionally left blank]

SECTION 13. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Series 2021 Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2021

CITY OF PORT ST. LUCIE, FLORIDA

By: _____
Name: Shannon Martin
Title: Vice Mayor

ATTEST:

By: _____
Name: Sally Walsh
Title: City Clerk

ACKNOWLEDGED BY:

DIGITAL ASSURANCE CERTIFICATION L.L.C.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Port St. Lucie, Florida

Obligated Person: City of Port St. Lucie, Florida

Name(s) of Bond Issue(s): Capital Improvement Revenue Bonds, Series 2021

Date(s) of Issuance:

Date(s) of Disclosure Certificate:

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bonds as required by the Continuing Disclosure Certificate. [The Issuer has notified the Dissemination Agent that it anticipates that the Annual Report will be filed by_____].

Dated: _____

[Dissemination Agent]

cc:

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

City of Port St. Lucie, Florida

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the Series 2021 Bonds to which this event notice relates:

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of holders of Series 2021 Bonds, if material;"
8. _____ "Series 2021 Bond calls, if material;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
15. _____ "Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material;"
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties;" and
17. _____ "Notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof."

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:
Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, Florida 32801
407-515-1100

Date:

EXHIBIT E

FORM OF ESCROW AGREEMENT

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated as of September ____, 2021, by and between **CITY OF PORT ST. LUCIE**, a municipal corporation organized and existing under the laws of the State of Florida (the "City"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the "Escrow Agent"), a national banking association organized and existing under the laws of the United States and qualified to exercise trust powers under the laws of the State of Florida, having its designated corporate trust office in Dallas, Texas, as escrow agent hereunder.

WHEREAS, the City has heretofore issued its City of Port St. Lucie, Florida, Sales Tax Refunding Revenue Bonds, Series 2011 (the "Series 2011 Bonds") pursuant to Ordinance No. 98-9 enacted by the City on February 9, 1998, as supplemented, particularly as supplemented by Resolution No. 98-R13 adopted by the City on February 23, 1998, and Resolution No. 11-R94 adopted by the City on November 28, 2011 (collectively, the "Resolution"); and

WHEREAS, the City has determined to exercise its option under the Resolution to current refund that portion of the Series 2011 Bonds maturing on and after September 1, 2022, as generally described on Schedule A attached hereto (the "Refunded Bonds"); and

WHEREAS, the City has determined to issue its \$_____ aggregate principal amount of City of Port St. Lucie, Florida, Capital Improvement and Refunding Revenue Bonds, Series 2021 (the "Series 2021 Bonds") pursuant to Resolution No. _____ adopted by the City on August 23, 2021, a portion of the proceeds of which Series 2021 Bonds, together with other legally available moneys of the City, will be used to provide payment for the Refunded Bonds and to discharge and satisfy the pledges, liens and other obligations of the City under the Resolution in regard to the Refunded Bonds; and

WHEREAS, the issuance of the Series 2021 Bonds, the deposit of such Series 2021 Bond proceeds and other legally available moneys of the City into an escrow deposit trust fund to be held by the Escrow Agent and the discharge and satisfaction of the pledges, liens and other obligations of the City under the Resolution in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. PREAMBLES. The recitals stated above are true and correct and incorporated herein.

SECTION 2. RECEIPT OF RESOLUTION. Receipt of a true and correct copy of the above-mentioned Resolution and this Agreement is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Resolution, including but not limited to Sections 2.09 and 6.08 thereof, are incorporated herein by reference. Reference herein to or citation herein of any provisions of the Resolution shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if the same were fully set forth herein.

SECTION 3. DISCHARGE OF PLEDGE OF HOLDER OF REFUNDED BONDS. In accordance with Section 6.08 of the Resolution, the City by this writing exercises its option to cause the pledge of and lien on the Pledged Revenues (as defined in the Resolution) in favor of the owners of the Refunded Bonds to no longer be in effect.

SECTION 4. ESTABLISHMENT OF ESCROW FUND. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow deposit trust fund designated the "City of Port St. Lucie, Florida, Sales Tax Refunding Revenue Bonds, Series 2011, Escrow Deposit Trust Fund" (the "Escrow Fund"). The Escrow Fund therein shall be held in the custody of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds separate and apart from other funds and accounts of the City and the Escrow Agent. The Escrow Agent hereby accepts the Escrow Fund and acknowledges the receipt of and deposit to the credit of the Escrow Fund the sum of \$_____ received from the City from proceeds of the Series 2021 Bonds (the "Bond Proceeds") and the sum of \$_____ received from the City from moneys on deposit in certain funds and accounts established under the Resolution that are allocable to the Refunded Bonds (the "City Moneys").

SECTION 5. DEPOSIT OF MONEYS IN ESCROW FUND. The City hereby directs, and the Escrow Agent represents and acknowledges that, the deposit of the Bond Proceeds and City Moneys under Section 4 above shall be held uninvested in cash (the "Cash Deposit") in the Escrow Fund.

SECTION 6. SUFFICIENCY OF CASH DEPOSIT. The City represents that the Cash Deposit is sufficient such that moneys will be available to the Escrow Agent in amounts sufficient and at the times required to pay the amounts of principal of, premium, if any, and interest due and to become due on the Refunded Bonds as described in Schedule B attached hereto. If the Cash Deposit shall be insufficient to make such payments, the City shall timely deposit to the Escrow Fund, solely from legally available funds of the City, such additional amounts as may be required to pay the Refunded Bonds as described in Schedule B hereto. Notice of any insufficiency shall be given by the Escrow Agent to the City as promptly as possible, but the Escrow Agent shall in no manner be responsible for the City's failure to make such deposits.

SECTION 7. CASH DEPOSIT IN TRUST FOR HOLDERS OF REFUNDED BONDS. The Cash Deposit in the Escrow Fund shall constitute an irrevocable deposit of cash in trust solely for the payment of the principal of, premium, if any, and interest on the Refunded Bonds at such times and in such amounts as set forth in Schedule B hereto, and the Cash Deposit shall be used solely for such purpose.

SECTION 8. ESCROW AGENT TO PAY REFUNDED BONDS FROM ESCROW FUND. The City hereby directs, and the Escrow Agent hereby agrees, that it will take all actions required to be taken by it under the provisions of the Resolution referenced in this Agreement, including the timely transfer of money to the holder of the Refunded Bonds (U.S. Bank National Association), in order to effectuate this Agreement and to pay the Refunded Bonds in the amounts and at the times provided in Schedule B hereto. The Cash Deposit shall be used to pay debt service on the Refunded Bonds as the same may mature or are redeemed prior to maturity. The Refunded Bonds shall be redeemed prior to their respective maturity on _____, 2021 (the "Redemption Date") at a redemption price equal to 100% of the principal amount of the Refunded Bonds, plus interest accrued to the Redemption Date. If the payment date shall be a day on which either the paying agent for the Refunded Bonds or the Escrow Agent is not open for the acceptance or delivery of funds, then the Escrow Agent may make payment on the next business day. The liability of the Escrow Agent for the payment of the principal of, premium, if any, and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of the Cash Deposit and the interest earnings thereon available for such purposes in the Escrow Fund.

SECTION 9. NO INVESTMENT OF CASH DEPOSIT. THE CASH DEPOSIT SHALL BE HELD UNINVESTED IN CASH.

SECTION 10. REDEMPTION OF THE REFUNDED BONDS. The Refunded Bonds shall be redeemed on _____, 2021 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest. The City hereby irrevocably instructs the Escrow Agent to cause the Registrar for the Refunded Bonds (US Bank National Association) to give, on behalf of the City, at the appropriate times the notice or notices, if any, required by the Resolution in connection with the redemption of the Refunded Bonds.

SECTION 11. ESCROW FUND IRREVOCABLE. The Escrow Fund hereby created shall be irrevocable and the holder of the Refunded Bonds shall have an express lien on the Cash Deposit deposited in the Escrow Fund pursuant to the terms hereof and the interest earnings thereon until paid out, used and applied in accordance with this Agreement and the Resolution. Neither the City nor the Escrow Agent shall cause nor permit any other lien or interest whatsoever to be imposed upon the Escrow Fund.

SECTION 12. AMENDMENTS TO AGREEMENT. This Agreement is made for the benefit of the City and the holder from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of

such holder and the written consent of the Escrow Agent; provided, however, that the City and the Escrow Agent may, without the consent of, or notice to, such holder, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holder and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holder of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holder or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of Bond Counsel with respect to compliance with this Section 12, including the extent, if any, to which any change, modification or addition affects the rights of the holder of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 12.

SECTION 13. FEES AND EXPENSES OF ESCROW AGENT; INDEMNIFICATION. In consideration of the services rendered by the Escrow Agent under this Agreement, the City agrees to and shall pay to the Escrow Agent the fees and expenses as shall be agreed to in writing by the parties hereto. The Escrow Agent shall have no lien whatsoever upon any of the Cash Deposit in the Escrow Fund for the payment of such proper fees and expenses. To the extent allowed by applicable law, the City further agrees to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to the Escrow Agent's own negligence or misconduct. Indemnification provided under this Section 13 shall survive the termination of this Agreement.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the City. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement; the Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance; and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be

counsel to the City or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the City of its intention.

The Escrow Agent and its successors, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, by reason of the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance and disposition of the various moneys and funds described herein, the purchase, retention or payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement or any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be liable to the City and to the holder of the Refunded Bonds to the extent of their respective damages for negligent or willful acts, omissions or errors of the Escrow Agent which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement.

SECTION 14. REPORTING REQUIREMENTS OF ESCROW AGENT.

As soon as practicable after the redemption of the Refunded Bonds, the Escrow Agent shall forward in writing to the City a statement in detail of the activity of the Escrow Fund since the date hereof.

SECTION 15. RESIGNATION OR REMOVAL OF ESCROW AGENT.

The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than 15 days' written notice to the City and mailing notice thereof, specifying the date when such resignation will take effect to the holder of the Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holder of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the City as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be replaced at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and signed by either the City or the holder of a majority in aggregate principal amount of the Refunded Bonds then outstanding. Such instrument shall provide for the appointment of a successor Escrow Agent, which appointment shall occur simultaneously with the removal of the Escrow Agent.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public

officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holder of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holder, or by its attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the City shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holder of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the City shall immediately and without further act be superseded by the Escrow Agent so appointed by such holder. The City shall mail notice of any such appointment made by it at the times and in the manner described in the first paragraph of this Section 15.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holder or the City pursuant to the foregoing provisions of this Section 15 within 10 days after written notice of resignation of the Escrow Agent has been given to the City, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

In the event of replacement or resignation of the Escrow Agent, the Escrow Agent shall have no further liability hereunder and the City shall indemnify and hold harmless the Escrow Agent, to the extent allowed by law, from any such liability, including reasonable costs or expenses incurred by the Escrow Agent or its counsel.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any State, and shall have at the time of appointment capital and surplus of not less than \$30,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the City an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the City execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the City be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer,

assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the City.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 16. TERMINATION OF AGREEMENT. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the City.

SECTION 17. GOVERNING LAW. This Agreement shall be governed by the applicable laws of the State of Florida.

SECTION 18. SEVERABILITY. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 19. COUNTERPARTS. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 20. NOTICES. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 10th Floor
Dallas, TX 75201
Attention: Corporate Trust Department

City of Port St. Lucie
121 SW Port St. Lucie Blvd.
Port St. Lucie, Florida 34984
Attention: Finance Director/City Treasurer

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and officials as of the date first written herein.

CITY OF PORT LUCIE, FLORIDA

(SEAL)

Russell D. Blackburn, City Manager

ATTEST:

Sally Walsh, City Clerk

**THE BANK OF NEW YORK TRUST
COMPANY, N.A.**, as Escrow Agent

By: _____
Authorized Officer

DESCRIPTION OF THE REFUNDED BONDS

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$1,970,000	5.00%
2023	2,070,000	5.00

SCHEDULE B

DISBURSEMENT REQUIREMENTS FOR REFUNDED BONDS

<u>Date</u>	<u>Principal</u>	<u>Principal Redeemed</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
<u> </u> / <u> </u> / <u>21</u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>