RESOLUTION NO. 2012-38

A RESOLUTION OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AUTHORIZING THE ISSUANCE OF SCHOOL IMPROVEMENT REVENUE BONDS, SERIES 2012, OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF $5,575,000 FOR THE PURPOSE OF PROVIDING A PORTION OF THE FINANCING OF A PERMANENT SECONDARY EDUCATIONAL FACILITY AND RECREATIONAL FIELDS FOR VILLAGE RESIDENTS LOCATED AT THE MAST ACADEMY CAMPUS AS WELL AS NECESSARY RENOVATIONS OF THE KEY BISCAYNE K-8 CENTER, FINANCING ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LEGAL AND OTHER PLANNING COSTS RELATED THERETO, AND PAYING COSTS OF ISSUANCE OF THE BONDS; AWARDING THE SALE OF THE BONDS TO TOTALBANK; PROVIDING FOR SECURITY FOR THE BONDS; PROVIDING OTHER PROVISIONS RELATING TO THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on July 10, 2012, the Village Council (the "Council") adopted Ordinance No. 2012-08 approving an Interlocal Agreement (the "Interlocal Agreement") with the School Board of Miami-Dade County to provide a portion of the financing of a permanent secondary educational facility and recreational fields for Village residents located at the MAST Academy Campus as well as necessary renovations of the Key Biscayne K-8 Center (the "Project); and

WHEREAS, in order to provide for the Village's portion of the financing required by the Interlocal Agreement, on July 10, 2012, the Council adopted Ordinance No. 2012-07 (the "Ordinance") authorizing the issuance of not exceeding $23,000,000 of bonds, to be issued in one or more series, for the purpose of financing a portion of the costs of the Project, financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the bonds; and

WHEREAS, the Council desires to provide for the issuance of the first such series of bonds; and

WHEREAS, the Council hereby determines to accept a commitment from TotalBank (the "Bank") to purchase the bonds; and

WHEREAS, the Council desires to set forth the details of the bonds in this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA:

SECTION 1. AUTHORIZATION OF BONDS. Pursuant to the provisions of this Resolution and the Ordinance, School Improvement Revenue Bonds of the Village to be designated "Village of Key Biscayne, Florida School Improvement Revenue Bonds, Series 2012" (the "Bonds"), are hereby authorized to be issued in an aggregate principal amount of $5,575,000 for the purpose of financing a portion of the costs of the Project, financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the Bonds.

SECTION 2. TERMS OF THE BONDS.

(a) General Provisions. The Bonds shall be issued in fully registered form without coupons. The principal of and interest on the Bonds shall be payable when due in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owners of the Bonds ("Owners") or their legal representatives at the addresses of the Owners as they appear on the registration books of the Village. Payments shall be made in immediately available funds by no later than 2:00 p.m., Eastern time, on the date due, free and clear of any defenses, set-offs, counterclaims, or withholdings or deductions for taxes. If any payment required to be made hereunder is not paid within ten (10) days of when due, the Village shall pay to the Owners a late charge equal to five percent (5%) of the late payment, which late charge is not a penalty, but constitutes liquidated damages to defray administrative and related expenses due to such late payment.

The Bonds shall be dated the date of their issuance and delivery and shall be initially issued as one Bond in the denomination of $5,575,000. The Bonds shall mature on October 1, 2032.

THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE VILLAGE OR A PLEDGE OF THE FAITH AND CREDIT OF THE VILLAGE WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OF THE STATE OF FLORIDA, BUT SHALL, INSTEAD, BE PAYABLE EXCLUSIVELY FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE VILLAGE, AS DEFINED IN THIS RESOLUTION. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE VILLAGE TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THE BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE VILLAGE, AND THE HOLDERS OF THE BONDS SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

(b) Interest Rate. Subject to adjustment as provided below, the Bonds shall bear interest on the outstanding principal balance from their date of issuance payable semiannually on each April 1 and October 1 (the "Interest Payment Dates"), commencing April 1, 2013, at an interest rate equal to 3.35% per annum.

Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty-day months for the actual number of days elapsed.

(i) Adjustment of Interest Rate For Full Taxability. Upon a Determination of Taxability (as defined below), the rate of interest on the Bonds shall be adjusted upward to 5.16% per annum (the "Taxable Rate"), retroactive as of the date of the Determination of Taxability event. In addition to the payments of principal and interest on the Bonds required to be paid pursuant to the terms of this Resolution and the Bonds, the Village hereby agrees to pay to the Owners an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the of the Internal Revenue Code of 1986, as amended (the "Code")) owed by the Owners as a result of the occurrence of a Determination of Taxability. All such interest, penalties on overdue interest, and additions to tax shall be paid by the Village on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of an Owner of the Bonds for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Village has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Bond, and until the conclusion of any appellate review, if sought.

(ii) Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to (1-A divided by 1-B), where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment. The interest rate otherwise borne by the Bonds shall be adjusted automatically as of the effective date of each change in the Maximum Federal Corporate Tax Rate.

(c) Prepayment Provisions.

(i) Mandatory Prepayment. The principal of the Bonds shall be subject to mandatory prepayment in annual installments on each October 1, commencing October 1, 2015, in the amounts set forth below:

Year	Principal Installment Due	Year	Principal Installment Due
2015	$267,941.65	2024	$311,148.61
2016	272,429.67	2025	316,360.35
2017	276,992.87	2026	321,659.38
2018	281,632.50	2027	327,047.18
2019	286,349.85	2028	332,525.22
2020	291,146.21	2029	338,095.01
2021	296,022.91	2030	343,758.10
2022	300,981.29	2031	349,516.05
2023	306,022.73	2032	355,370.44

In the event that there is more than one Owner of the Bonds, (A) each Bond shall be redeemed on a pro rata basis, and (B) the Village shall give notice to each Owner of the Bonds at least three (3) days prior to the date of mandatory redemption of the amount of each Bond to be redeemed.

(ii) Optional Prepayment. The Bonds are subject to optional prepayment, upon three (3) Business Days written notice to the Bank, in whole or in part at any time, at a price of par plus accrued interest to the date of prepayment. Any partial prepayments shall be applied to installments of principal in inverse order of maturity and shall not postpone any due dates of, or relieve the amounts of, any scheduled installment payments due hereunder. As used herein, "Business Day" shall mean any day other than a Saturday, Sunday or a day on which the banks in the State of Florida (the "State") are required, or authorized or not prohibited, by law (including executive orders) to close and are closed.

SECTION 3. EXECUTION OF BONDS. The Bonds shall be signed in the name of the Village by the Mayor or Vice Mayor (or, in their absence, any other member of the Village Council) and the Village Clerk, and its seal shall be affixed thereto or imprinted or reproduced thereon. The signatures of the Mayor or Vice Mayor (or, in their absence, any other member of the Village Council) and Village Clerk on the Bonds may be manual or facsimile signatures, provided that the signature of one of such officers shall be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Village before the Bonds so signed and sealed shall 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 and sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Village by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

SECTION 4. NEGOTIABILITY, REGISTRATION AND CANCELLATION. The Village shall serve as Registrar and as such shall keep books for the registration of Bonds and for the registration of transfers of Bonds. Bonds may be transferred or exchanged upon the registration books kept by the Village, upon delivery to the Village, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Village and with

guaranty of signatures satisfactory to the Village, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. Bonds may be exchanged for one or more Bonds of the same aggregate principal amount and maturity and in denominations in integral multiples of $250,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Village.

The Village may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Village 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 of and interest on such Bond as they become due and for all other purposes. All such payments so made to any such Owner 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.

In all cases in which Bonds are transferred or exchanged in accordance with this Section, the Village shall execute and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Village. There shall be no charge for any such exchange or transfer of Bonds, but the Village may require the payment of a sum sufficient to pay any third party tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Village shall not be required to transfer or exchange Bonds for a period of 15 days next preceding an Interest Payment Date on such Bonds.

All Bonds, the principal of and interest on which have been fully paid, either at or prior to maturity, shall be delivered to the Village when such payment is made, and shall thereupon be cancelled.

In case a portion but not all of an outstanding Bond shall be prepaid pursuant to mandatory prepayment provisions, such Bond shall not be surrendered in exchange for a new Bond, but the Village shall make a notation indicating the remaining outstanding principal of the Bonds upon the registration books. The Bond so redesignated shall have the remaining principal as provided on such registration books and shall be deemed to have been issued in the denomination of the outstanding principal balance, which shall be an authorized denomination.

SECTION 5. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Village may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in the case of a mutilated Bond, in exchange and substitution for such mutilated Bond upon surrender of such mutilated Bond or in the case of a destroyed, stolen or lost Bond in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner furnishing the Village proof of his ownership thereof, satisfactory proof of loss or destruction thereof and satisfactory indemnity, complying with such other reasonable regulations and conditions as the Village may prescribe and paying such expenses as the Village may incur. The Village shall cancel all mutilated Bonds that are surrendered. If any mutilated, destroyed, lost or stolen Bond shall have matured or be about to mature, instead of issuing

a substitute Bond, the Village may pay the principal of and interest on such Bond upon the Owner complying with the requirements of this paragraph.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations of the Village whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the extent as all other Bonds issued hereunder.

SECTION 6. FORM OF BONDS. The text of the Bonds shall be of substantially the tenor set forth in Exhibit "A" hereto, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution.

SECTION 7. COVENANT TO BUDGET AND APPROPRIATE. The Village hereby covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues (as defined in this Section) lawfully available in each fiscal year of the Village, amounts sufficient to pay the principal and interest due on the Bonds in accordance with their terms during such fiscal year. "Non-Ad Valorem Revenues" means all revenues of the Village derived from any source other than ad valorem taxation on real or personal property and which are legally available to make the payments required under this Resolution, but only after provision has been made by the Village for the payment, to the extent are not otherwise provided for by ad valorem taxes, of (a) all services necessary for conducting of the public safety and general governmental obligations of the Village, as shown in the Village's audited Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds) as "Current" Expenditures (i.e., the Expenditure subheadings "General government," "Fire," "Police," "Public works," "Building, zoning and planning" and "Parks and recreation") and (b) all legally mandated services. Such covenant and agreement on the part of the Village to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Village, the Village does not covenant to maintain any services or programs, now provided or maintained by the Village, which generate non-ad valorem revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor, except to the extent provided in Section 14 hereof, does it preclude the Village from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Village to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Bondholders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of owners of other bonds of the Village secured in the same manner as the Bonds. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the Village a positive duty to appropriate and budget, by amendment, if necessary,

amounts sufficient to meet its obligations under this Resolution, subject, however, in all respects to the terms of this Resolution and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment, to the extent are not otherwise provided for by ad valorem taxes, of (a) all services necessary for conducting of the public safety and general governmental obligations of the Village, as shown in the Village's audited Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds) as "Current" Expenditures (i.e., the Expenditure subheadings "General government," "Fire," "Police," "Public works," "Building, zoning and planning" and "Parks and recreation") and (b) all legally mandated services.

SECTION 8. BOND FUND. There is hereby created a fund entitled "Village of Key Biscayne, Florida School Improvement Revenue Bonds, Series 2012 Bond Fund" (the "Bond Fund"), to be established with the Bank. There shall be deposited into the Bond Fund no later than each date on which principal or interest is due sufficient amounts of Non-Ad Valorem Revenues as specified in Section 7 hereof which, together with the amounts already on deposit therein, will enable the Village to pay the principal of and interest on the Bonds on each such date or other date when principal may be due. Moneys in the Bond Fund shall be applied on each such date to the payment of principal of and interest on the Bonds coming due on each such date. Subject to Section 11 hereof, funds in the Bond Fund may be invested in the Authorized Investments (as defined in Section 9), maturing at or before the time such funds may be needed to pay principal of or interest on Bonds.

SECTION 9. APPLICATION OF BOND PROCEEDS.

The proceeds received upon the sale of the Bonds shall be applied simultaneously with the delivery of the Bonds, as follows:

1. The Village shall first use the moneys to pay costs of the issuance of the Bonds.

2. The remainder of the proceeds of the sale of the Bonds shall be deposited in the "Village of Key Biscayne School Improvement Revenue Bonds, Series 2012 Project Fund" (the "Project Fund"), to be established with the Bank, and used only in connection with the Project.

Subject to Section 11 hereof, funds in the Project Fund may be invested in the following investments, maturing not later than the date or dates on which such proceeds will be needed for purposes of this Resolution, to the extent such investments are legal for investment of municipal funds ("Authorized Investments"):

(a) The Local Government Surplus Funds Trust Fund;

(b) Negotiable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities;

(c) Interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida (the "State"), in national banks organized under the laws of the United States and doing business and situated in the State, in savings and loan associations which are under State supervision, or in federal savings and loan associations located in the State and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;

(d) Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;

(e) Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association;

(f) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; or

(g) Any other investments that at the time are legal investments for municipal funds and are permitted by the duly approved investment policy of the Village.

Subject to Section 13 hereof, any income received upon such investment shall be retained in the Project Fund and applied to costs of the Project or, at the option of the Village, deposited in the Bond Fund and used to pay interest on the Bonds until completion of the Project. Subject to Section 13 hereof, after the completion of the Project, any remaining balance in the Project Fund shall be deposited into the Bond Fund and used solely to redeem Bonds.

The Project Fund shall be kept separate and apart from all other funds of the Village and the moneys on deposit therein shall be withdrawn, used and applied by the Village solely for the purposes set forth herein. Pending such application, the Project Fund shall be subject to the lien of the Owners of the Bonds for the payment of the principal of and interest on the Bonds.

The registered Owners shall have no responsibility for the use of the proceeds of the Bonds, and the use of such Bond proceeds by the Village shall in no way affect the rights of such registered Owners. The Village shall be obligated to apply the proceeds of the Bonds solely as provided herein. However, the Village shall be irrevocably obligated to continue to pay the principal of and interest on the Bonds notwithstanding any failure of the Village to use and apply such Bond proceeds in the manner provided herein.

SECTION 10. FUNDS. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of Village funds are authorized to be secured by the laws of the State of Florida. Except as otherwise provided herein, earnings on any investments in any amounts on any of the funds and accounts herein established and created shall be credited to such respective fund or account.

The designation and establishment of the funds and accounts 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 and assets of the Village for the purposes herein provided and to establish certain priorities for application of such revenues and assets.

SECTION 11. INVESTMENTS AND USE OF PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE OF 1986. The Village covenants to the Owners of the Bonds that it will take all actions and do all things necessary and desirable in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, and shall refrain from taking any actions that would cause interest on the Bonds to be included in gross income for federal income tax purposes. In particular, the Village will not make or direct the making of any investment or other use of the proceeds of the Bonds which would cause such Bonds to be "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code or "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code, and all applicable regulations promulgated under the Code, and that it will comply with the applicable requirements of Sections 141 and 148 of the Code and the aforementioned regulations throughout the term of the Bonds.

SECTION 12. DESIGNATION UNDER SECTION 265(b)(3) OF THE CODE. The Village hereby designates the Bonds as qualified tax-exempt obligations under Section 265(b)(3)(B) of the Code, and shall make all necessary filings in order to effectuate such election. The Village represents that the reasonably anticipated amount of tax-exempt obligations which have been or will be issued by the Village and any subordinate entities or entities issuing tax-exempt obligations on behalf of the Village within the meaning of Section 265(b)(3) of the Code during calendar year 2012 does not exceed $10,000,000.

SECTION 13. ARBITRAGE REBATE COVENANTS. There is hereby created and established a fund to be held by the Village, designated the "Village of Key Biscayne School Improvement Revenue Bonds, Series 2012 Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the Village separate and apart from all other funds and accounts held by the Village under this Resolution and from all other moneys of the Village.

Notwithstanding anything in this Resolution to the contrary, the Village shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Rebate Covenants, if any, attached as an Exhibit to the Arbitrage Certificate to be delivered by the Village on the date of delivery of the Bonds (the "Rebate Covenants"), when such amounts are so required to be transferred. The Village Manager shall make or cause to be made payments from the Rebate Fund of

amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Village covenants for the benefit of the Owners of the Bonds that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Resolution. The Village shall not be required to comply with the requirements of this Section 13 in the event that the Village obtains an opinion of nationally recognized bond counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Bonds.

SECTION 14. SPECIAL COVENANTS.

(a) The Village shall, while the Bonds are outstanding, within one hundred eighty (180) days of the end of each fiscal year of the Village, deliver to the Owners a copy of the annual audited financial statements of the Village for such fiscal year. Within thirty (30) days of its final adoption, the Village shall deliver to the Owners a copy of the operating budget for each upcoming fiscal year of the Village. The Village shall provide the Owners with any other information they may reasonably request.

(b) (i) The Village hereby covenants that, so long as the Bonds are outstanding, it shall maintain a Debt Service Coverage Ratio (hereinafter defined) equal to 1.20 to 1.

(ii) The Village shall be permitted to issue additional Debt secured in the same manner as the Bonds (as specified in Section 7 hereof), so long as on the date of issuance of such additional Debt the Debt Service Coverage Ratio for the most recently ended fiscal year of the Village for which audited financial statements are available is at least 1.20 to 1. The Village hereby represents and warrants to the Bank that no additional Debt issued pursuant to the Ordinance and secured by Non-Ad Valorem Revenues of the Village shall: (A) contain a description of Non-Ad Valorem Revenues that materially differs from the definition set forth in Section 7 hereof or in the Bond, or (B) provide for any priority in payment from Non-Ad Valorem Revenues superior to that being granted to the Bank.

(iii) "Debt Service Coverage Ratio" shall mean the ratio of (a) all Non-Ad Valorem Revenues (as defined in Section 7 hereof) of the Village in the most recently ended fiscal year of the Village for which audited financial statements are available plus any available cash balance in the General Fund, to (b) the Debt Service coming due on the Bonds and all other Debt of the Village secured in the same manner as the Bonds (as specified in Section 7 hereof), plus, for purposes of the calculation in (ii) above only, the additional Debt.

(c) During each fiscal year that the Bonds are outstanding, the total Debt of the Village, including amounts authorized but still not drawn down under existing loan agreements and other contractual arrangements with banks and other financial institutions,

underwriters, brokers and/or intermediaries, shall not exceed the greater of:

(i) one percent (1%) of the total assessed value of all property within the Village, as certified by the Miami-Dade County Property Appraiser for the current fiscal year; or

(ii) that amount which would cause annual Debt Service to equal fifteen percent (15%) of General Fund expenditures for the previous fiscal year;

provided, however, that if in the future the Village Charter is amended to permit total Debt to exceed the amounts set forth above, then the total Debt of the Village permitted hereunder shall be deemed to be such greater amount consistent with the Charter.

As used in this Section 14, the following terms shall have the meaning ascribed to them in this subsection:

(1) "Debt" shall mean any obligation of the Village to repay borrowed money however evidenced since the date of its incorporation regardless of tenor or term for which it was originally contracted or subsequently converted through refinancing or novation, except (A) any obligation required to be repaid in less than a year and which was incurred solely for emergency relief of natural disasters, or (B) that portion of any obligations for operations which are financed and operated in an independent, self-liquidating manner and recovered entirely through currently collected user fees and charges.

(2) "Debt Service" shall include, without limitation thereto, scheduled interest payments, repayments of principal and all financial fees arising from Debt or from the underlying contractual obligations, whether as originally incurred or subsequently deferred or otherwise renegotiated.

(3) "General Fund" shall mean any and all revenues of the Village, from whatever source derived, except those revenues derived from special assessments, user fees and charges and designated as a separate fund to finance goods and services to the public.

(d) The Village agrees that while the Bonds are outstanding, it will maintain a depository relationship with the Bank.

SECTION 15. COVENANTS BINDING ON VILLAGE AND SUCCESSOR. All covenants, stipulations, obligations and agreements of the Village contained in this Resolution constitute a contract between the Village and the Owners of the Bonds and shall be deemed to be covenants, stipulations, obligations and agreements of the Village to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon the officer, board, body or commission to

whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

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

SECTION 16. EVENTS OF DEFAULT. Each of the following events is hereby declared an "event of default":

(a) payment of the principal of or amortization installments of any of the Bonds shall not be made when the same shall become due and payable; or

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

(c) the Village shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Bonds or in this Resolution (except for a default described in subsection (a) or (b) of this Section) on the part of the Village to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Village by any Owner of any Bond; provided that it shall not constitute an event of default if the default is not one that can be cured within such sixty (60) days, as agreed by the Owners and the Village, and the Village commences within such sixty (60) days and is proceeding diligently with action to correct such default; or

(d) any proceeding shall be instituted with or without the consent of the Village under federal bankruptcy laws or other federal or state laws affecting creditors' rights or any proceeding shall otherwise be instituted for the purpose of effecting a composition between the Village and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted and any such proceeding shall not have been dismissed with prejudice within thirty (30) days after the institution of the same;

(e) a payment default occurs under any other debt obligation of the Village secured by a covenant to budget and appropriate Non-Ad Valorem Revenues which results in an acceleration of such debt; or

(f) a default (other than a payment default) occurs under any other debt obligation of the Village secured by a covenant to budget and appropriate Non-Ad Valorem Revenues.

SECTION 17. REMEDIES; RIGHTS OF OWNERS.

(a) Upon the occurrence and continuance of any event of default specified in Section 16 (e) hereof, the Owners of the Bonds may declare all payments of principal and accrued interest to be

immediately due and payable, whereupon the same shall become immediately due and payable.

(b) Upon the occurrence and continuance of any event of default specified in Section 16 (a), (b), (c), (d) or (f) hereof, the Owners of the Bonds may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on the Bonds then outstanding.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any event of default hereunder shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

The Village agrees, to the extent permitted by law, to indemnify the Bank and its directors, officers, employees and agents from and against any losses, claims, damages, liabilities and expenses (including, without limitation, counsel fees and expenses) which may be incurred in connection with enforcement of the provisions of this Resolution and the Bonds.

SECTION 18. SALE OF BONDS. Based upon the uncertainty of the interest rate environment if sale of the Bonds is delayed, and the immediate need by the Village for funds required of it under the Interlocal Agreement, the Village hereby determines the necessity for a negotiated sale of the Bonds. The Village has been provided all applicable disclosure information required by Section 218.385, Florida Statutes. The negotiated sale of the Bonds is hereby approved to the Bank at a purchase price of par.

SECTION 19. AUTHORITY OF OFFICERS. The Mayor, the Vice Mayor, any member of the Council, the Village Manager, the Village Clerk, the Finance Director and any other proper official of the Village, are and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transaction contemplated by this Resolution and the other documents identified herein.

SECTION 20. SEVERABILITY. In case any one or more of the provisions of this Resolution or of any Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

SECTION 21. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date of maturity of interest on or principal of the Bonds shall not be a Business Day, then payment of such interest or principal need not be made by the Village on such date but may be made on the next succeeding Business Day, and payment on such day shall have the same force and effect as if paid on the nominal date for payment.

SECTION 22. OPEN MEETING FINDINGS. It is hereby found and determined that all official acts of the Village Council concerning and relating to the adoption of this Resolution and all prior resolutions and ordinances affecting the Village Council's ability to issue the Bonds were taken in an open meeting of the Village Council and that all deliberations of the Village Council or any of its committees that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

SECTION 23. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

SECTION 24. MODIFICATION, AMENDMENT OR SUPPLEMENT. This Resolution may be modified, amended or supplemented by the Village from time to time prior to the issuance of the Bonds hereunder. Thereafter, no modification, amendment or supplement of this Resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners.

SECTION 25. NO THIRD-PARTY BENEFICIARIES. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and a subsequent Owner of the Bonds issued hereunder, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners from time to time of the Bonds issued hereunder.

SECTION 26. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 23rd day of October, 2012.

MAYOR FRANKLIN H. CAPLAN

ATTEST:

CONCHITA H. ALVAREZ
MMC, VILLAGE CLERK

APPROVED AS TO LEGAL FORM AND SUFFICIENCY:

VILLAGE ATTORNEY

EXHIBIT "A"

No. R- **$5,575,000**

UNITED STATES OF AMERICA
STATE OF FLORIDA
VILLAGE OF KEY BISCAYNE
SCHOOL IMPROVEMENT REVENUE BONDS
SERIES 2012

Registered Owner: TotalBank

Principal Amount: Five Million Five Hundred Seventy-Five Thousand Dollars ($5,575,000)

KNOW ALL MEN BY THESE PRESENTS, that the Village of Key Biscayne, Florida (the "Village"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns (the "Owner"), from the sources hereinafter mentioned, the Principal Amount specified above, together with interest on the Principal Amount outstanding at the rate of interest hereinafter provided. Subject to the rights of prior prepayment and redemption described in this Bond, the Bonds shall mature on October 1, 2032. Payments due hereunder shall be made no later than 2:00 p.m., Eastern time, on the date due, free and clear of any defenses, set-offs, counterclaims, or withholding or deductions for taxes. If any payment required to be made hereunder is not paid within ten (10) days of when due, the Village shall pay to the Owner a late charge equal to five percent (5%) of the late payment, which late charge is not a penalty, but constitutes liquidated damages to defray administrative and related expenses due to such late payment.

This Bond is issued under authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Village, Ordinance No. 2012-07 duly adopted by the Village Council (the "Council") of the Village on July 10, 2012 (the "Ordinance"), and Resolution No. 2012-__ adopted on October 23, 2012 (the "Resolution," and collectively with the Ordinance, the "Bond Ordinance"), and is subject to the terms of said Bond Ordinance. This Bond is issued for the purpose of providing a portion of the financing of a permanent secondary educational facility and recreational fields for Village residents located at the MAST Academy Campus as well as necessary renovations of the Key Biscayne K-8 Center, financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the Bonds. This Bond shall be payable only from the sources identified herein. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

Subject to adjustment as provided below, this Bond shall bear interest on the outstanding principal balance from its date of issuance payable semiannually on each April 1 and October 1 (the "Interest Payment Dates"), commencing April 1, 2013, at an interest rate equal to 3.35% per annum.

Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve (12) thirty-day months for the actual number of days elapsed.

The principal of and interest on this Bond are payable in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owner or his legal representative at the address of the Owner as it appears on the registration books of the Village.

Adjustment of Interest Rate For Full Taxability. Upon a Determination of Taxability (as defined below), the rate of interest on the Bonds shall be adjusted upward to 5.16% per annum (the "Taxable Rate"), retroactive as of the date of the Determination of Taxability event. In addition to the payments of principal and interest on the Bonds required to be paid pursuant to the terms of this Resolution and the Bonds, the Village hereby agrees to pay to the Owner an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the of the Internal Revenue Code of 1986, as amended (the "Code")) owed by the Owner as a result of the occurrence of a Determination of Taxability. All such interest, penalties on overdue interest, and additions to tax shall be paid by the Village on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of an Owner of the Bonds for Federal income tax purposes; provided, that no such decree, judgment, or action will be considered final for this purpose, however, unless the Village has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Owner of a Bond, and until the conclusion of any appellate review, if sought.

Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to (1-A divided by 1-B), where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment. The interest rate otherwise borne by the Bonds shall be adjusted automatically as of the effective date of each change in the Maximum Federal Corporate Tax Rate.

Mandatory Prepayment. The principal of this Bond shall be subject to mandatory prepayment in annual installments on each October 1, commencing October 1, 2015, in the amounts set forth below:

Year	Principal Installment Due	Year	Principal Installment Due
2015	$267,941.65	2024	$311,148.61
2016	272,429.67	2025	316,360.35
2017	276,992.87	2026	321,659.38
2018	281,632.50	2027	327,047.18
2019	286,349.85	2028	332,525.22
2020	291,146.21	2029	338,095.01
2021	296,022.91	2030	343,758.10
2022	300,981.29	2031	349,516.05
2023	306,022.73	2032	355,370.44

In the event that there is more than one Owner of the Bonds, (i) each Bond shall be redeemed on a pro rata basis, and (ii) the Village shall give notice to each Owner of the Bonds at least three (3) days prior to the date of mandatory redemption of the amount of each Bond to be redeemed.

This Bond is subject to optional prepayment, upon three (3) Business Days written notice to the Bank, in whole or in part at any time, at a price of par plus accrued interest to the date of prepayment. Any partial prepayments shall be applied to installments of principal in inverse order of maturity and shall not postpone any due dates of, or relieve the amounts of, any scheduled installment payments due hereunder. As used herein, "Business Day" shall mean any day other than a Saturday, Sunday or a day on which the banks in the State of Florida are required, or authorized or not prohibited, by law (including executive orders) to close and are closed.

The Village has covenanted and agreed in the Bond Ordinance to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues (as defined below) lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Bonds in accordance with their terms during such fiscal year. "Non-Ad Valorem Revenues" means all revenues of the Village derived from any source other than ad valorem taxation on real or personal property and which are legally available to make the payments required under this Resolution, but only after provision has been made by the Village for the payment, to the extent are not otherwise provided for by ad valorem taxes, of (a) all services necessary for conducting of the public safety and general governmental obligations of the Village, as shown in the Village's audited Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds) as "Current" Expenditures (i.e., the Expenditure subheadings "General government," "Fire," "Police," "Public works," "Building, zoning and planning" and "Parks and recreation") and (b) all legally mandated services. Such covenant and agreement on the part of the Village to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Village, the Village does not covenant to maintain any services or programs, now provided or maintained by the Village, which generate non-ad valorem revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor, except to the extent provided in Section 14 of the Resolution, does

it preclude the Village from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Village to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Bondholders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of owners of other bonds of the Village secured in the same manner as the Bonds. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated herein shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the Village a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Bond Ordinance, subject, however, in all respects to the terms of the Bond Ordinance and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation or other revenue sources; and subject, further, to the payment, to the extent are not otherwise provided for by ad valorem taxes, of (a) all services necessary for conducting of the public safety and general governmental obligations of the Village, as shown in the Village's audited Statement of Revenues, Expenditures and Changes in Fund Balances (Governmental Funds) as "Current" Expenditures (i.e., the Expenditure subheadings "General government," "Fire," "Police," "Public works," "Building, zoning and planning" and "Parks and recreation") and (b) all legally mandated services.

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE VILLAGE OR A PLEDGE OF THE FAITH AND CREDIT OF THE VILLAGE WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OF THE STATE OF FLORIDA, BUT SHALL, INSTEAD, BE PAYABLE EXCLUSIVELY FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE VILLAGE, AS DEFINED IN THE RESOLUTION. THE ISSUANCE OF THIS BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE VILLAGE TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE VILLAGE, AND THE HOLDERS OF THIS BOND SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

Each of the following events is hereby declared an "event of default" hereunder:

(a) payment of the principal of or amortization installments of any of the Bonds shall not be made when the same shall become due and payable; or

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

(c) the Village shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Bonds or in the Resolution (except for a default described in subsection (a) or (b) of Section 16 of the Resolution) on the part of the Village to be

performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Village by any Owner of any Bond; provided that it shall not constitute an event of default if the default is not one that can be cured within such sixty (60) days, as agreed by the Owners and the Village, and the Village commences within such sixty (60) days and is proceeding diligently with action to correct such default; or

(d) any proceeding shall be instituted with or without the consent of the Village under federal bankruptcy laws or other federal or state laws affecting creditors' rights or any proceeding shall otherwise be instituted for the purpose of effecting a composition between the Village and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted and any such proceeding shall not have been dismissed with prejudice within thirty (30) days after the institution of the same;

(e) a payment default occurs under any other debt obligation of the Village secured by a covenant to budget and appropriate Non-Ad Valorem Revenues which results in an acceleration of such debt; or

(f) a default (other than a payment default) occurs under any other debt obligation of the Village secured by a covenant to budget and appropriate Non-Ad Valorem Revenues.

Upon the occurrence and continuance of any event of default specified in paragraph (e) above, the Owners of the Bonds may declare all payments of principal and accrued interest to be immediately due and payable, whereupon the same shall become immediately due and payable.

Upon the occurrence and continuance of any event of default specified in paragraphs (a), (b), (c), (d) or (f) above, the Owners of the Bonds may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on the Bonds then outstanding.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any event of default hereunder shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

The Village agrees, to the extent permitted by law, to indemnify the Owner and its directors, officers, employees and agents from and against any losses, claims, damages, liabilities and expenses (including, without limitation, counsel fees and expenses) which may be incurred in connection with enforcement of the provisions of the Resolution and the Bonds.

The original registered Owner, and each successive registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

1. The Village shall keep books for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. Bonds may be transferred or exchanged upon the registration books kept by the Village, upon delivery to the Village, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Village and with guaranty of signatures satisfactory to the Village, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. The Bonds may be exchanged for Bonds of the same principal amount and maturity and denominations in integral multiples of $250,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Village.

2. The Village may deem and treat the person in whose name any Bond shall be registered upon the books of the Village 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 of and interest on such Bond as they become due, and for all other purposes. All such payments so made to any such Owner 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.

3. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Village shall execute and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the Village may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Village shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment date on such Bonds.

4. All Bonds, the principal of and interest on which have been paid, either at or prior to maturity, shall be delivered to the Village when such full payment is made, and shall thereupon be cancelled. In case a portion but not all of an outstanding Bond shall be prepaid pursuant to mandatory prepayment provisions, such Bond shall not be surrendered in exchange for a new Bond, but the Village shall make a notation indicating the remaining outstanding principal of the Bonds upon the registration books. The Bond so redesignated shall have the remaining principal as provided on such registration books and shall be deemed to have been issued in the denomination of the outstanding principal balance, which shall be an authorized denomination.

It is hereby certified and recited that all acts, conditions and things required to happen, to exist and to be performed precedent to and for the issuance of this Bond have happened, do exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto.

IN WITNESS WHEREOF, the Village of Key Biscayne, Florida has caused this Bond to be executed by the manual or facsimile signature of its Mayor and of its Village Clerk, and the Seal of the Village of Key Biscayne, Florida or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, all as of the ___ day of October, 2012.

VILLAGE OF KEY BISCAYNE, FLORIDA

(SEAL)

Mayor

Village Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____ (the "Transferor"), hereby sells, assigns and transfers unto _____ (Please insert name and Social Security or Federal Employer identification number of assignee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ (the "Transferee") as attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date _____

_____
Social Security Number of Assignee

Signature Guaranteed:

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

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is 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 GIF MIN ACT - _____,
(Cust.)

Custodian for _____,
(Minor)

under Uniform Gifts to Minors Act of _____.
(State)

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

AMORTIZATION SCHEDULE*

Date	Principal	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
04/01/2013		86,118.26	86,118.26	86,118.26	
10/01/2013		93,381.25	93,381.25	93,381.25	179,499.51
04/01/2014		93,381.25	93,381.25	93,381.25	
10/01/2014		93,381.25	93,381.25	93,381.25	186,762.50
04/01/2015		93,381.25	93,381.25	93,381.25	
10/01/2015	267,941.65	93,381.25	361,322.90	361,322.90	454,704.15
04/01/2016		88,893.23	88,893.23	88,893.23	
10/01/2016	272,429.67	88,893.23	361,322.90	361,322.90	450,216.13
04/01/2017		84,330.03	84,330.03	84,330.03	
10/01/2017	276,992.87	84,330.03	361,322.90	361,322.90	445,652.93
04/01/2018		79,690.40	79,690.40	79,690.40	
10/01/2018	281,632.50	79,690.40	361,322.90	361,322.90	441,013.30
04/01/2019		74,973.06	74,973.06	74,973.06	
10/01/2019	286,349.85	74,973.06	361,322.91	361,322.91	436,295.97
04/01/2020		70,176.70	70,176.70	70,176.70	
10/01/2020	291,146.21	70,176.70	361,322.91	361,322.91	431,499.61
04/01/2021		65,300.00	65,300.00	65,300.00	
10/01/2021	296,022.91	65,300.00	361,322.91	361,322.91	426,622.91
04/01/2022		60,341.61	60,341.61	60,341.61	
10/01/2022	300,981.29	60,341.61	361,322.90	361,322.90	421,664.51
04/01/2023		55,300.18	55,300.18	55,300.18	
10/01/2023	306,022.73	55,300.18	361,322.91	361,322.91	416,623.09
04/01/2024		50,174.30	50,174.30	50,174.30	
10/01/2024	311,148.61	50,174.30	361,322.91	361,322.91	411,497.21
04/01/2025		44,962.56	44,962.56	44,962.56	
10/01/2025	316,360.35	44,962.56	361,322.91	361,322.91	406,285.47
04/01/2026		39,663.52	39,663.52	39,663.52	
10/01/2026	321,659.38	39,663.52	361,322.90	361,322.90	400,986.42
04/01/2027		34,275.73	34,275.73	34,275.73	
10/01/2027	327,047.18	34,275.73	361,322.91	361,322.91	395,598.64
04/01/2028		28,797.69	28,797.69	28,797.69	
10/01/2028	332,525.22	28,797.69	361,322.91	361,322.91	390,120.60
04/01/2029		23,227.89	23,227.89	23,227.89	
10/01/2029	338,095.01	23,227.89	361,322.90	361,322.90	384,550.79
04/01/2030		17,564.80	17,564.80	17,564.80	
10/01/2030	343,758.10	17,564.80	361,322.90	361,322.90	378,887.70
04/01/2031		11,806.85	11,806.85	11,806.85	
10/01/2031	349,516.05	11,806.85	361,322.90	361,322.90	373,129.75
04/01/2032		5,952.45	5,952.45	5,952.45	
10/01/2032	355,370.44	5,952.45	361,322.89	361,322.89	367,275.34
	5,575,000.02	2,223,886.51	7,798,886.53	7,798,886.53	7,798,886.53

*Payments may change slightly to reflect the final issuance date of the Bonds. A revised Amortization Schedule will be attached to the final executed Bond.