RESOLUTION NO. 2016-18

A RESOLUTION OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AUTHORIZING THE ISSUANCE OF SEWER IMPROVEMENT REVENUE BONDS, SERIES 2016, OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $3,490,000 FOR THE PURPOSE OF PREPAYING AND REFINANCING A STATE REVOLVING FUND LOAN, AND PAYING COSTS OF ISSUANCE OF THE BONDS; AWARDING THE SALE OF THE BONDS TO FLORIDA COMMUNITY BANK, N.A.; 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 June 23, 2009, the Village of Key Biscayne, Florida (the "Village") entered into a Clean Water State Revolving Fund Loan Agreement (WW850050), as amended by Amendment 1 to Loan Agreement WW850050, with the Florida Water Pollution Control Financing Corporation in a total amount of $5,215,500 (the "Loan") for the financing of a sanitary sewer construction project (the "Project"); and

WHEREAS, in order to take advantage of the current prevailing low interest rates and thereby achieve debt service savings, on May 24, 2016, the Village Council (the "Council") adopted Ordinance No. 2016-6 (the "Ordinance") authorizing the issuance of not exceeding $3,500,000 of bonds, to be issued in one or more series, for the purpose of prepaying and refinancing the Loan and paying costs of issuance of the bonds; and

WHEREAS, the Council hereby determines to accept a commitment from Florida Community Bank, N.A. (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, Sewer Improvement Revenue Bonds of the Village to be designated "Village of Key Biscayne, Florida Sewer Improvement Revenue Bonds, Series 2016" (the "Bonds"), are hereby authorized to be issued in an aggregate principal amount of not exceeding $3,490,000 for the purpose prepaying and refinancing the Loan 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.

The Bonds shall be dated the date of their issuance and delivery and shall be initially issued as one Bond in the denomination of $3,490,000. The Bonds shall mature on February 15, 2030.

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 February 15 and August 15 (the "Interest Payment Dates"), commencing August 15, 2016, at an interest rate equal to 1.97% 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.

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 3.03% 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.

Adjustment of Interest Rate for Loss of Bank Qualified Status. So long as no Determination of Taxability shall have occurred, upon the occurrence of a Loss of BQ Status (as defined below), and for as long as the Bonds remain outstanding, the interest rate on the Bonds shall be converted to the Adjusted BQ Rate (as defined below). In addition, upon a Loss of BQ Status, the Village shall pay to the Owners (i) an additional amount equal to the difference between (A) the amount of interest actually paid on the Bonds during the period of time from the date of issuance of the Bonds to the next succeeding Interest Payment Date, and (B) the amount of interest that would have been paid during the period in clause (A) had the Bonds borne interest at the Adjusted BQ Rate, and (ii) an amount equal to any penalties and interest paid or payable by the Owners to the Internal Revenue Service by reason of such as a result of the Loss of BQ Status.

As used in the preceding paragraph:

"Adjusted BQ Rate" shall mean, upon a Loss of BQ Status, the interest rate per annum that shall provide the Owners with the same after tax yield that the Owners would have otherwise received had the Loss of BQ Status not occurred, taking into account the increased taxable income of the Owners as a result of such Loss of BQ Status. The Owners shall provide the Village with a written statement explaining the calculation of the Adjusted BQ Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Village; and

"Loss of BQ Status" shall mean a determination by the Owners that the Bonds are not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision).

A certificate of the Owners as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Owners may use any reasonable averaging and attribution methods.

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 semiannual installments on each February 15 and August 15, commencing August 15, 2016, in the amounts set forth in the Amortization Schedule attached to the Bonds.

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 in whole or in part at any time, upon ten (10) days written notice to the Owners specifying the principal amount to be prepaid and the date of such prepayment, at a price of par plus accrued interest to the date of prepayment, without penalty or premium. 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.

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 $100,000 (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 and to pay all required deposits to the Rebate Fund (as defined in Section 13) pursuant to Section 13. "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" and "Public works") 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 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" and "Public works") and (b) all legally mandated services.

SECTION 8. BOND FUND. There is hereby created a fund entitled "Village of Key Biscayne, Florida Sewer Improvement Revenue Bonds, Series 2016 Bond Fund" (the "Bond Fund"). 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 following investments, maturing at or before the time such funds may be needed to pay principal of or interest on the Bonds, 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.

SECTION 9. APPLICATION OF BOND PROCEEDS AND OTHER FUNDS.

The Village will apply the proceeds received upon the sale of the Bonds, together with other available funds of the Village, as follows:

1. Simultaneously with the issuance of the Bonds, the Village shall apply sufficient Bond proceeds and other available funds of the Village to pay the Loan in full, as set forth in a closing memorandum dated the date of issuance of the Bonds.

2. The balance of the proceeds of the Bonds shall be disbursed by the Village for payment of the costs of issuance of the Bonds, as set forth in a closing memorandum dated the date of issuance of the Bonds. Any proceeds remaining after payment of all costs of issuance shall be deposited into the Bond Fund and used to pay debt service on the Bonds on the next Interest Payment Date.

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 2016 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 Sewer Improvement Revenue Bonds, Series 2016 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 two hundred ten (210) 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, certified by an independent certified public accountant to the effect that such audit has been conducted in accordance with generally accepted auditing standards and stating whether such financial statements present fairly in all material respects the financial position of the Village and the results of its operations and cash flows for the periods covered by the audit report, all in conformity with generally accepted accounting principles applied on a consistent basis. Such financial statements shall include a balance sheet and statement of revenues, expenditures and changes in fund balances, with comparative figures to the prior year and including a comparison of actual results to budgeted projections. Within forty-five (45) days after the commencement of each fiscal year, 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) 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. "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 maximum annual 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), in the then current or any future fiscal year.

(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 shall within ten (10) days after it acquires knowledge thereof, notify the Bank in writing upon the happening, occurrence, or existence of any event of default, and any event or condition which with the passage of time or giving of notice, or both, would constitute an event of default, and shall provide the Bank with such written notice, a detailed statement by a responsible officer of the Village of all relevant facts and the action being taken or proposed to be taken by the Village with respect thereto.

(e) The Village agrees that any and all records of the Village shall be open to inspection by the Bank or its representatives at all reasonable times at the offices of the Village.

(f) The Village shall promptly inform the Bank in writing of any actual or potential contingent liabilities or pending or threatened litigation of any amount that could reasonably be expected to have a material and adverse effect upon the financial condition of the Village or upon the ability of the Village to perform its obligations under the Resolution and the Bonds.

(g) The Village shall maintain such liability, casualty and other insurance as is

reasonable and prudent for similarly situated municipalities of the State and shall upon request of the Bank, provide evidence of such coverage to the Bank.

(h) In the event the Bonds should be subject to an excise tax or any similar tax, the Village shall pay such taxes or reimburse the Bank for any such taxes paid by it.

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, whether by maturity or otherwise; 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, whether by maturity or otherwise; 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 thirty (30) days after the earlier of (i) written notice specifying such default and requiring same to be remedied shall have been given to the Village by any Owner of any Bond or (ii) the Village notifies or should have notified the Owners of such default; provided that it shall not constitute an event of default if the default is not one that can be cured within such thirty (30) days, as agreed by the Owners and the Village, and the Village commences within such thirty (30) days and is proceeding diligently with action to correct such default; or

(d) any representation or warranty made in writing by or on behalf of the Village herein or in any other closing document related to the Bonds shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(e) the Village admits in writing its inability to pay its debts as they become due or files a petition in bankruptcy or makes an assignment for the benefit of creditors or consents to the appointment of a receiver or trustee on its behalf; or

(f) the Village is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed by or against the Village, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Village, a receiver or trustee of the Village or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgements or decrees shall not be vacated or set aside or stayed within 90 days from the date of entry thereof; or

(g) the Village shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America of the State of Florida; or

(h) the Village fails to promptly remove any execution, garnishment, or attachment of such consequence as will materially impair its ability to carry out its obligations under this Resolution; or

(i) 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.

SECTION 17. REMEDIES; RIGHTS OF OWNERS.

(a) Upon the occurrence and continuance of any event of default specified in Section 16 (i) 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), (e), (f), (g) or (h) 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 Owners and their 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, 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 Village, the Bank 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 Village, the Bank and the Owners from time to time of the Bonds issued hereunder.

SECTION 26. WAIVER OF JURY TRIAL. The Village and the Bank intentionally and voluntarily waive any right they may have to a trial by jury in connection with any matter directly or indirectly relating to this Resolution, the Ordinance, the Bonds or any other document executed in connection with the Bonds. The Village acknowledges that this provision is a material inducement to the Bank to purchase the Bonds.

SECTION 27. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 28th day of June, 2016.

MAYOR MAYRA PEÑA LINDSAY

ATTEST:

CONCHITA H. ALVAREZ, MMC, VILLAGE CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

VILLAGE ATTORNEY

EXHIBIT "A"

No. R- **$3,490,000**

UNITED STATES OF AMERICA
STATE OF FLORIDA
VILLAGE OF KEY BISCAYNE
SEWER IMPROVEMENT REVENUE BONDS
SERIES 2016

Registered Owner: Florida Community Bank, N.A.

Principal Amount: Three Million Four Hundred Ninety Thousand Dollars ($3,490,000)

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 February 15, 2030. 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.

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. 2016-6 duly adopted by the Village Council (the "Council") of the Village on May 24, 2016 (the "Ordinance"), and Resolution No. 2016-18 adopted on June 28, 2016 (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 prepaying and refinancing a loan made to the Village on June 23, 2009 by the Florida Water Pollution Control Financing Corporation in order to finance a sanitary sewer construction project, pursuant to the Clean Water State Revolving Fund Loan Agreement (WW850050), as amended by Amendment 1 to Loan Agreement WW850050, 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 February 15 and August 15 (the "Interest Payment Dates"), commencing August 15, 2016, at an interest rate equal to 1.97% 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 this Bond shall be adjusted upward to 3.03% 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 this Bond required to be paid pursuant to the terms of the Resolution and this Bond, 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 this Bond 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 this Bond, and until the conclusion of any appellate review, if sought.

Adjustment of Interest Rate for Loss of Bank Qualified Status. So long as no Determination of Taxability shall have occurred, upon the occurrence of a Loss of BQ Status (as defined below), and for as long as this Bond remains outstanding, the interest rate on this Bond shall be converted to the Adjusted BQ Rate (as defined below). In addition, upon a Loss of BQ Status, the Village shall pay to the Owner (i) an additional amount equal to the difference between (A) the amount of interest actually paid on this Bond during the period of time from the date of issuance of this Bond to the next succeeding Interest Payment Date, and (B) the amount of interest that would have been paid during the period in clause (A) had this Bond borne interest at the Adjusted BQ Rate, and (ii) an amount equal to any penalties and interest paid or payable by the Owner to the Internal Revenue Service by reason of such as a result of the Loss of BQ Status.

As used in the preceding paragraph:

"Adjusted BQ Rate" shall mean, upon a Loss of BQ Status, the interest rate per annum that shall provide the Owner with the same after tax yield that the Owner would have otherwise received had the Loss of BQ Status not occurred, taking into account the increased taxable income of the Owner as a result of such Loss of BQ Status. The Owner shall provide the Village with a written statement explaining the calculation of the Adjusted BQ Rate, which statement shall, in the absence of manifest error, be conclusive and binding on the Village; and

"Loss of BQ Status" shall mean a determination by the Owner that this Bond is not a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code (or any successor provision).

A certificate of the Owner as to any such additional amount or amounts, in the absence of manifest error, shall be final and conclusive. In determining such amount, the Owner may use any reasonable averaging and attribution methods.

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 this Bond on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on this Bond that is bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on this Bond 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 this Bond 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 semiannual installments on each February 15 and August 15, commencing August 15, 2016, in the amounts set forth in the Amortization Schedule attached to this Bond.

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.

Optional Prepayment. This Bond is subject to optional prepayment in whole or in part at any time, upon ten (10) days written notice to the Owner specifying the principal amount to be prepaid and the date of such prepayment, at a price of par plus accrued interest to the date of prepayment, without penalty or premium. 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.

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 and to pay all required deposits to the Rebate Fund pursuant to the Resolution. "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 the 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" and "Public works) 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" and "Public works) 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, whether by maturity or otherwise; 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, whether by maturity or otherwise ; 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 (a) or (b) above) on the part of the Village to be performed, and such default shall continue for thirty (30) days after the earlier of (i) written notice specifying such default and requiring same to be remedied shall have been given to the Village by any Owner of this Bond or (ii) the Village notifies or should have notified the Owner of such default; provided that it shall not constitute an event of default if the default is not one that can be cured within such thirty (30) days, as agreed by the Owner and the Village, and the Village commences within such thirty (30) days and is proceeding diligently with action to correct such default; or

(d) any representation or warranty made in writing by or on behalf of the Village in the Resolution or in any other closing document related to the Bonds shall prove to have been false or incorrect in any material respect on the date made or reaffirmed; or

(e) the Village admits in writing its inability to pay its debts as they become due or files a petition in bankruptcy or makes an assignment for the benefit of creditors or consents to the appointment of a receiver or trustee on its behalf; or

(f) the Village is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed by or against the Village, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Village, a receiver or trustee of the Village or of the whole or any part of its property, and if the aforesaid adjudications, orders, judgements or decrees shall not be vacated or set aside or stayed within 90 days from the date of entry thereof; or

(g) the Village shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America of the State of Florida; or

(h) the Village fails to promptly remove any execution, garnishment, or attachment of such consequence as will materially impair its ability to carry out its obligations under this Resolution; or

(i) 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.

During the period in which an Event of Default shall have occurred or be continuing hereunder, this Bond shall bear interest at a rate equal to the lesser of five percent (5%) in excess of the Owner's Prime Rate of interest or the maximum rate allowed by law.

Upon the occurrence and continuance of any event of default specified in paragraph (i) above, the Owner of this Bond 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), (e), (f), (g) or (h) above, the Owner of this Bond 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 this Bond.

The Village and the Owner intentionally and voluntarily waive any right they may have to a trial by jury in connection with any matter directly or indirectly relating to the Resolution, the Ordinance, this Bond or any other document executed in connection with this Bond. The Village acknowledges that this provision is a material inducement to the Owner to purchase this Bond.

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 $100,000 (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 June, 2016.

VILLAGE OF KEY BISCAYNE, FLORIDA

_____

Mayor

(SEAL)

_____

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*

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/15/2016	100,605.13	1.970%	8,785.11	109,390.24	
10/01/2016					109,390.24
02/15/2017	110,193.05	1.970%	33,385.54	143,578.59	
08/15/2017	111,278.45	1.970%	32,300.14	143,578.59	
10/01/2017					287,157.18
02/15/2018	112,374.54	1.970%	31,204.05	143,578.59	
08/15/2018	113,481.43	1.970%	30,097.16	143,578.59	
10/01/2018					287,157.17
02/15/2019	114,599.22	1.970%	28,979.36	143,578.58	
08/15/2019	115,728.02	1.970%	27,850.56	143,578.58	
10/01/2019					287,157.17
02/15/2020	116,867.94	1.970%	26,710.64	143,578.58	
08/15/2020	118,019.10	1.970%	25,559.49	143,578.59	
10/01/2020					287,157.17
02/15/2021	119,181.59	1.970%	24,397.00	143,578.59	
08/15/2021	120,355.52	1.970%	23,223.06	143,578.58	
10/01/2021					287,157.18
02/15/2022	121,541.02	1.970%	22,037.56	143,578.58	
08/15/2022	122,738.19	1.970%	20,840.38	143,578.57	
10/01/2022					287,157.16
02/15/2023	123,947.17	1.970%	19,631.41	143,578.58	
08/15/2023	125,168.06	1.970%	18,410.53	143,578.59	
10/01/2023					287,157.18
02/15/2024	126,400.96	1.970%	17,177.63	143,578.59	
08/15/2024	127,646.00	1.970%	15,932.58	143,578.58	
10/01/2024					287,157.17
02/15/2025	128,903.32	1.970%	14,675.26	143,578.58	
08/15/2025	130,173.01	1.970%	13,405.57	143,578.58	
10/01/2025					287,157.16
02/15/2026	131,455.21	1.970%	12,123.36	143,578.57	
08/15/2026	132,750.06	1.970%	10,828.53	143,578.59	
10/01/2026					287,157.16
02/15/2027	134,057.63	1.970%	9,520.94	143,578.57	
08/15/2027	135,378.11	1.970%	8,200.47	143,578.58	
10/01/2027					287,157.15
02/15/2028	136,711.58	1.970%	6,867.00	143,578.58	
08/15/2028	138,058.18	1.970%	5,520.39	143,578.57	
10/01/2028					287,157.15
02/15/2029	139,418.07	1.970%	4,160.52	143,578.59	
08/15/2029	140,791.34	1.970%	2,787.25	143,578.59	
10/01/2029					287,157.18
02/15/2030	142,178.10	1.970%	1,400.45	143,578.55	
10/01/2030					143,578.55
	3,490,000.00		496,011.95	3,986,011.95	3,986,011.95

*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.