
TOWN OF MIAMI LAKES

RESOLUTION NO. 21-__

Adopted on July 13, 2021

Authorizing and Securing
Stormwater Utility System Revenue Bonds

RESOLUTION NO. 21-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF MIAMI LAKES, FLORIDA AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF STORMWATER UTILITY SYSTEM REVENUE BONDS OF THE TOWN OF MIAMI LAKES, FLORIDA, IN SUCH AMOUNTS AS THE TOWN SHALL HEREAFTER DETERMINE BY SERIES RESOLUTION, FOR THE PURPOSE OF FINANCING AND REFINANCING IMPROVEMENTS TO THE TOWN'S STORMWATER UTILITY SYSTEM; PROVIDING FOR THE ISSUANCE OF THE FIRST SERIES OF SUCH STORMWATER UTILITY SYSTEM REVENUE BONDS AND ADDITIONAL SERIES OF STORMWATER UTILITY SYSTEM REVENUE BONDS TO PAY ALL OR PART OF THE COST OF IMPROVEMENTS TO THE TOWN'S STORMWATER UTILITY SYSTEM AND FOR REFUNDING PURPOSES; PROVIDING FOR THE INCURRENCE OF OTHER TYPES OF STORMWATER UTILITY SYSTEM DEBT FOR THE PURPOSES OF THE STORMWATER UTILITY SYSTEM; PROVIDING FOR THE PAYMENT OF SUCH BONDS, OTHER DEBT AND THE INTEREST THEREON FROM THE PLEDGED FUNDS, AS DESCRIBED HEREIN; SETTING FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF SUCH BONDS AND OTHER DEBT; PROVIDING A SEVERABILITY CLAUSE AND A CONFLICTS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Miami Lakes, Florida (the "Town") is a municipal corporation duly organized and operating under the Constitution and laws of the State of Florida (the "State"), including particularly Chapter 166, Florida Statutes, as amended, and the Charter of the Town; and

WHEREAS, the Town has the power and authority to construct, reconstruct, repair, improve, operate and maintain on a revenue-producing basis a stormwater management system and to issue revenue bonds payable from and secured by a pledge of the net revenues to be derived from the ownership and operation thereof; and

WHEREAS, the Town currently owns, operates and maintains a stormwater management system for the benefit of all property within and inhabitants of the Town (the "Stormwater Utility System"); and

WHEREAS, under the authority granted by the Act (as defined herein), the Town is authorized to issue stormwater utility system revenue bonds to finance and refinance the cost of Improvements (as defined herein) to the Stormwater Utility System and to pledge for the payment of such revenue bonds the net revenues derived from the operation of the Stormwater Utility

System (the “Net Revenues”) and other amounts as described herein (collectively, the “Pledged Funds”); and

WHEREAS, the Town has determined that it is in the best interests of the Town to issue from time to time its stormwater utility revenue bonds and to incur other forms of indebtedness as described and provided for in this Resolution, to provide funds, together with other available moneys, to finance or refinance Improvements to the Stormwater Utility System that are necessary and desirable for the furtherance of the health, safety and welfare of the inhabitants of the Town and the properties served and benefitted by the Stormwater Utility System; and

WHEREAS, the Town has determined to issue its Stormwater Utility System Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) payable solely from and secured by a lien on and pledge of the Pledged Funds, in such amount as shall be determined herein, for the purpose of (i) paying a portion of the cost of the Series 2021 Project (as defined herein), (ii) funding the Reserve Account Requirement (as defined herein) for the Series 2021 Bonds either through a cash deposit or by paying the premium for a Reserve Account Insurance Policy (as defined herein), and (iii) paying the costs of issuance of the Series 2021 Bonds, including, without limitation, the premium for a municipal bond insurance policy insuring all or a portion of the Series 2021 Bonds; and

WHEREAS, on June 8, 2021, the Town Council enacted Ordinance No. 21-279 (the “Authorizing Ordinance”), pursuant to the provisions of Article VIII, Section 2 of the Florida Constitution, Chapter 166, Parts I and II, Florida Statutes, as amended, Section 4.3 and 4.11 of the Charter of the Town, and other applicable provisions of law, in order to authorize the issuance by the Town of the Series 2021 Bonds, in an amount not to exceed Fifteen Million Five Hundred Thousand Dollars (\$15,500,000), to finance the Costs of Improvements to the Stormwater Utility System; and

WHEREAS, the Town has determined to provide in this Resolution the authorization to issue hereafter, from time to time, other Stormwater Utility System Revenue Bonds and to incur other forms of indebtedness of the Town payable from the Net Revenues of the Stormwater Utility System, for the purpose of paying all or any part of the cost of any other improvements, renewals and replacements of the Stormwater Utility System or any part thereof and such extensions and additions thereto as may be necessary or desirable, in the judgment of the Town, to keep the same in proper condition for the safe, efficient and economic operation thereof or to refund or refinance all or a portion of the Bonds or any series thereof or other indebtedness of the Town incurred with respect to the Stormwater Utility System then outstanding, and to prescribe the terms and conditions under which such Bonds and other indebtedness may be authorized and issued;

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF MIAMI LAKES, FLORIDA:

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ARTICLE I

DEFINITIONS

Section 101. Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Resolution, the following words and terms as used in this Resolution shall have the following meanings, unless the context or use indicates a different meaning.

“Accountant” shall mean the independent certified public accountant or firm of independent certified public accountants which shall have a favorable reputation for skill and experience in accounting matters at the time and during the period employed by the Town under the provisions of Section 704 of this Resolution to perform and carry out the duties imposed on the Accountant by this Resolution.

“Accreted Value” shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond (the principal amount on the date of original issuance), plus the interest accrued on such Bond from the date of original issuance to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, compounded periodically at the times provided for in the Series Resolution authorizing the issuance of such Bonds, and if such date of computation is not an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if such date of computation is prior to the first Interest Payment Date) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months.

“Act” shall mean Article VIII, Section 2 of the Constitution of the State, Chapter 166, Part II, Florida Statutes, as amended, the Charter and the Code of Ordinances of the Town, including, without limitation, the Stormwater Code Provisions, and other applicable provisions of law.

“Additional Bonds” shall mean the Bonds issued at any time under the provisions of Section 209 of this Resolution.

“Adjusted Current Expenses” means, for purposes of determining the Renewal, Replacement and Improvement Account Monthly Deposit Requirement, the Current Expenses for the Fiscal Year in question less that portion of the Current Expenses attributable to personnel salaries and benefits.

“Alternative Parity Debt” shall mean indebtedness of the Town (including the assumption of the debts of others) or borrowed money (including refunding or refinancing of then existing indebtedness and leases capitalized in accordance with generally accepted accounting principles) incurred in accordance with Section 211(f) of this Resolution.

“Amortization Requirements” shall mean the amounts required to be deposited in the Redemption Subaccount for any Series of Bonds for the purpose of redeeming prior to their maturity and paying at their maturity the Term Bonds of any Series, issued pursuant to this

Resolution, the specific amounts and times of such deposits to be determined by the Town Council in a Series Resolution relating to such Series of Bonds.

“Annual Budget” shall mean the Annual Budget adopted pursuant to Section 503 of this Resolution.

“Appreciated Value” shall mean, (i) as of any date of computation with respect to any Capital Appreciation and Income Bond up to the Interest Commencement Date set forth in the Series Resolution for such Bond, an amount equal to the principal amount of such Bond (the principal amount on the date of original issuance) plus the interest accrued on such Bond from the date of original issuance of such Bond to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such increased value to accrue at the stated rate per annum of such Bond compounded on the Interest Payment Dates of such year, plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Arbitrage Rebate Account” shall mean an account or accounts established by the Town for the deposit of moneys necessary for payments required to be made to the United States of America in connection with any Series of Bonds or Stormwater Utility System Debt secured by a lien on the Pledged Funds subject to arbitrage rebate requirements under the Code. The moneys in such account or accounts shall be applied only for the purposes for which such account or accounts are established and shall not be subject to a lien or charge in favor of Holders of any Bonds or holders of any Stormwater Utility System Debt and shall not be pledged as security for the payment of any Bonds or Stormwater Utility System Debt.

“Balloon Debt” shall mean any debt twenty-five percent (25%) or more of the principal amount of which is stated to mature or is otherwise payable in a single Fiscal Year.

“Bond Counsel” shall mean a law firm selected by the Town of favorable reputation for skill in matters relating to the exclusion from gross income for federal income tax purposes of interest on municipal bonds.

“Bond Registrar” means, as to any particular Series of Bonds, a bank or trust company, either within or without the State of Florida, designated as such in the Series Resolution for such Series of Bonds, which shall perform such functions as Bond Registrar; provided, however, the Town may designate itself, acting by and through the Finance Director, to serve as Bond Registrar. If the Town has designated itself, acting by and through the Finance Director, to serve as Bond Registrar for a Series of Bonds, any reference in this Resolution to the “principal corporate trust office,” “designated corporate trust office” or “principal office” of the Bond Registrar with respect to such Series of Bonds shall mean the office of the Finance Director, located in the Town of Miami Lakes.

“Bond Service Subaccount” shall mean the Bond Service Subaccount, a special subaccount within the Sinking Fund Account created and designated by Section 505 of this Resolution.

“Bondholders” or “Holders” or “Owners” shall mean the registered owners of the Bonds.

“Bonds” shall mean, collectively, the Bonds issued under the provisions of Article II of this Resolution.

“Capital Appreciation Bond” shall mean any Bond or Bonds of a Series issued under this Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding in the Series Resolution for such Bonds and payable in an amount equal to the then current Accreted Value to the date of maturity or redemption prior to maturity as designated in such Series Resolution and which may be either Serial Bonds or Term Bonds.

“Capital Appreciation and Income Bonds” shall mean any Bond or Bonds of a Series issued under this Resolution as to which accruing interest is not payable prior to the Interest Commencement Date specified in the Series Resolution for such Bonds and the Appreciated Value for such Bonds is compounded periodically on certain dates designated in such Series Resolution prior to the Interest Commencement Date for such Capital Appreciation and Income Bonds and which may be either Serial Bonds or Term Bonds.

“Capital Expenditures” shall mean all expenditures made for extensions, additions, improvements, renewals and replacements (other than ordinary maintenance and repairs) acquired, constructed or installed for the purpose of preserving, extending, increasing or improving the service rendered by the Stormwater Utility System or for reducing the cost of operation, and shall include the cost of purchasing and installing such equipment and appurtenances as may be necessary to meet the demands upon the Stormwater Utility System. Capital Expenditures shall also include the acquisition of such lands and rights-of-way and such engineering, legal and administrative expenses as may be required in connection with the foregoing.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor provisions thereto, and the regulations promulgated thereunder from time to time.

“Completion Date” shall mean the date of completion of the acquisition or construction of any Project or of any Improvements, as the case may be, as such date shall be certified pursuant to the requirements of Section 405 of this Resolution.

“Construction Account” shall mean the Stormwater Utility System Construction Account, a special account created and designated by Section 401 of this Resolution.

“Consulting Engineers” shall mean one or more licensed professional engineers or firms of professional engineers at the time employed by the Town under the provisions of Section 703 of this Resolution to perform and carry out the duties imposed on the Consulting Engineers by this Resolution.

“Convertible Bonds” shall mean Bonds issued under this Resolution which are convertible, at the option of the Town, into a form of Bonds which are permitted by this Resolution other than the form of such Bonds at the time they were issued.

“Cost” as applied to any Project or any Improvements, shall embrace the costs of acquisition and construction and all obligations and expenses and all items of cost which are set forth in Section 403 of this Resolution.

“County” shall mean Miami-Dade County, Florida, a political subdivision of the State.

“Credit Facility” shall mean an irrevocable letter of credit, policy of municipal bond insurance, guaranty, purchase agreement, credit agreement, surety bond or similar facility in which the entity providing such facility irrevocably agrees to provide funds to make payment of the principal of and interest on Bonds or Stormwater Utility System Debt provided that such entity is at the time of providing such facility of sufficient credit quality to entitle debt backed by its Credit Facility to be rated in one of the three highest long-term rating categories (without regard to any gradations within such categories) by at least two of the Rating Agencies.

“Current Expenses” shall mean the Town’s reasonable and necessary current expenses of maintenance, repair and operation of the Stormwater Utility System and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of maintenance, repair and operation, which may include expenses not annually recurring, administrative expenses (but not including administrative overhead expenses payable to the Town's General Fund), expenses relating to the operation of all or a part of the Stormwater Utility System by another on behalf of the Town and any reasonable payments to pension or retirement funds properly chargeable to the Stormwater Utility System, insurance premiums, engineering expenses relating to maintenance, repair and operation, fees and expenses of the Bond Registrar, the Paying Agent and any other Fiduciary, legal and accounting expenses, any fees, fines, or penalties lawfully imposed on the Stormwater Utility System, any taxes which may be lawfully imposed on the Stormwater Utility System or its income or operations and reserves for such taxes, annual premiums for bond insurance, interest rate insurance or insurance assuring availability of the amounts required to be on deposit in the Reserve Account, annual fees for Credit Facilities or Liquidity Facilities, and any other expenses required to be paid by the Town under the provisions of this Resolution or by law, including any amounts required from time to time to fund the Arbitrage Rebate Account. “Current Expenses” shall not include administrative overhead expenses payable to the Town's General Fund, any reserves for extraordinary maintenance or repair, or any allowance for depreciation, or any expenses associated with grant-funded expenditures, or any deposits or transfers to the credit of the Sinking Fund Account, the Reserve Account, the Subordinated Indebtedness Account, the Renewal, Replacement and Improvement Account, or the General Reserve Account or the change in value of any Hedge Agreement or other derivative.

“Current Interest Bonds” shall mean Bonds the interest on which is payable to the Bondholder on the Interest Payment Dates with respect thereto and not only at the maturity thereof.

“Daily Newspaper” shall mean a newspaper published in print form or available electronically on-line in the English language on at least three (3) business days in each calendar week.

“Defaulted Interest” shall have the meaning attributed to such term in Section 202 of this Resolution.

“Depository” shall mean any bank or trust company duly authorized by law to engage in the banking business and designated by the Finance Director as a depository of moneys under the provisions of this Resolution.

“Enterprise Fund” shall mean the Stormwater Utility System Enterprise Fund, a special fund created and designated by Section 504 of this Resolution.

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

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

“Fiduciary” means the Paying Agent, the Bond Registrar and any Depository or any or all of them, as may be appropriate. When the Town itself serves as Bond Registrar and/or Paying Agent, “Fiduciary” shall mean the Town and the Person or Persons acting on behalf of the Town.

“Finance Director” shall mean the Director of Finance of the Town or his/her designee or the officer succeeding to his or her principal functions.

“Financial Statements” shall mean the audited financial statements of the Town relating to the Stormwater Utility System, prepared in accordance with generally accepted accounting principles applicable to stormwater utility systems owned by cities, which in the case of the Stormwater Utility System may be those provisions of the Town’s General Purpose Financial Statements relating to the Stormwater Utility System.

“Fiscal Year” shall mean the period commencing on the first day of October and ending on the last day of September of the following year, as the same may be amended from time to time to conform to the fiscal year of the Town.

“Fitch” shall mean Fitch Inc. a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town.

“General Reserve Account” shall mean the Stormwater Utility System General Reserve Account, a special account within the Enterprise Fund created and designated by Section 505 of this Resolution.

“Government Obligations” shall mean any of the obligations described in clauses (i) and (ii) of the definition of “Investment Obligations” in this Article I.

“Hedge Agreement” means, and includes, an interest rate exchange agreement, an interest rate swap agreement, a forward purchase contract, a put option contract, a call option contract or

any other financial product which is used by the Town as a hedging device with respect to its obligation to pay debt service on the Bonds or payments under other Alternative Parity Debt entered into between the Town and a Hedge Counterparty.

“Hedge Counterparty” shall mean any Person (other than the Town) that is a party to a Hedge Agreement; provided that such Hedge Counterparty shall be an entity whose long-term debt obligations, or whose payment obligations under the Hedge Agreement are guaranteed by an entity, whose long-term debt obligations, ranking pari passu with its obligation under the Hedge Agreement or its guarantee thereof, as the case may be, are rated (on the date the Hedge Agreement is entered into) by any two of the Rating Agencies, as follows at least “A2” by Moody’s, at least “A” by Standard & Poor’s and at least “A” by Fitch.

“Hedge Receipts” shall mean net scheduled payments received by the Town from a Hedge Counterparty under a Related Hedge Agreement, excluding any receipts derived from termination of the Hedge Agreement or any other non-scheduled payment thereunder.

“Improvements” shall mean such improvements, renewals and replacements of the Stormwater Utility System or any part thereof and such extensions and additions thereto as may be necessary or desirable, in the judgment of the Town, to keep the same in proper condition for the safe, efficient and economic operation thereof and to integrate into the Stormwater Utility System any unit or part thereof, and shall include such land, structures and facilities as may be authorized to be acquired or constructed by the Town under the provisions of State law and such improvements, renewals and replacements of such land, structures and facilities and the Stormwater Utility System and such extensions and additions thereto as may be necessary or desirable for continuous and efficient service to the property serviced and benefitted by the Stormwater Utility System.

“Interest Commencement Date” shall mean, with respect to any Capital Appreciation and Income Bonds, the date specified in the Series Resolution for such Bonds or the resolution awarding the same (which date must be prior to the maturity date of such Bonds) after which interest accruing on such Bonds shall be payable semi-annually with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“Interest Payment Date” shall mean (i) as to any Series of Bonds, the date or dates for the payment of interest on such Series of Bonds as shall be established by the Series Resolution for such Series of Bonds and (ii) with respect to Related Hedge Agreements, the date or dates specified therein for the payment of regularly scheduled payments thereunder (as opposed to one-time payments or charges).

“Interim Bonds or Notes” shall mean bonds or notes issued by the Town with a final maturity not longer than 60 months (or longer period if then so permitted by the provisions of State law relating to the issuance of bond anticipation notes by municipalities) in anticipation of the refinancing thereof from all or a portion of the proceeds of a Series of Bonds issued under this Resolution or from all or a portion of the proceeds of State Revolving Fund Indebtedness.

“Investment Obligations” shall mean any of the following, to the extent the same is legal for the investment of public funds under the laws of the State:

(i) U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government, including but not limited to: Treasury bills, bonds, notes, and STRIPS (Separate Trading of Registered Interest and Principal of Securities); Resolution Funding Corporation (“REFCORP”) interest STRIPS; and United States Agency for International Development (“US AID”) guaranteed notes (including stripped securities) provided that any US AID security shall mature at least 10 business days prior to any cash flow or escrow requirement;

(ii) Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality, corporation, or government-sponsored enterprise (GSE), including but not limited to: Fannie Mae, Freddie Mac, the Federal Home Loan Banks, the Federal Farm Credit System, Tennessee Valley Authority, and REFCORP principal strips;

(iii) U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a U.S. or foreign corporation, financial institution, non-profit, or other entity with minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by any one nationally recognized rating agency;

(iv) Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency, board, instrumentality or other unit of local government of any U.S. state or with minimum ratings of A-/A3 (or the equivalent) or SP-1/MIG 1 (or the equivalent) by any one nationally recognized rating agency;

(v) Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs (real estate mortgage investment conduits);

(vi) Non-negotiable interest bearing time certificates of deposit, savings accounts or deposit accounts in banks organized under the laws of the State or in national banks organized under the laws of the United States and doing business in the State, provided that any such deposits are secured or collateralized, if required by state or federal law;

(vii) Interest bearing time certificates of deposit, savings accounts or deposit accounts fully insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA);

(viii) U.S. dollar denominated commercial paper issued or guaranteed by a U.S. or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs with minimum ratings of A-1/P-1 (or the equivalent) by any one nationally recognized rating agency;

(ix) Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank with minimum ratings of A-1/P-1 (or the equivalent) by any one nationally recognized rating agency;

(x) Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7;

(xi) Guaranteed investment contracts with any financial institution or corporation that at the time of investment has long-term obligations rated at least "AA-" or "Aa3" by any nationally recognized rating agency;

(xii) Forward delivery agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "BBB-" or "Baa3" by any nationally recognized rating agency under which obligations described in clause (a) and/or (b) of this definition are delivered;

(xiii) Term repurchase agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "A-" or "A3" by any nationally recognized rating agency, provided that obligations described in clause (a) of this definition shall be valued at least weekly and posted at a margin of 104% with a third-party custodian, and obligations described in clause (b) of this definition shall be valued at least weekly and posted at a margin of 105% with a third-party custodian;

(xiv) Intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes, as amended;

(xv) Funds deposited with the Florida Government Surplus Fund Trust Fund are invested in the pooled investment account, an external investment pool administered by the State and operated in a manner consistent with the Securities and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940; and

(xvi) Any other instrument that is permitted by the Town's investment policy at the time of investment.

"Liquidity Facility" shall mean a letter of credit, policy of municipal bond insurance, guaranty, purchase agreement, line of credit or similar facility in which the entity providing such facility agrees to provide funds to pay the purchase price of Optional Tender Bonds upon their tender by the Holders of Optional Tender Bonds provided that such entity is at the time of providing such facility of sufficient credit quality to entitle debt backed by its Liquidity Facility to be rated in the highest short-term rating category (without regard to any gradations within such categories) in which providers of similar facilities are then rated by each of the Rating Agencies.

"Maximum Principal and Interest Requirements" shall mean the maximum amount of Principal and Interest Requirements for any Fiscal Year.

“Mayor” shall mean the Mayor of the Town, or in his/her absence, the Vice Mayor of the Town, or the officer succeeding to his/her principal functions.

“Moody’s Investors Service” or “Moody’s” shall mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if for any reason such corporation shall no longer perform the functions of a securities rating agency, “Moody’s Investors Services” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town.

“Net Revenues” for any particular period shall mean the amount of the excess of the Revenues for such period over the Current Expenses for such period.

“Optional Tender Bonds” shall mean the portion of a Series of Bonds issued under this Resolution, a feature of which is an option on the part of the Holders of such Bonds to tender such Bonds to the Town, a trustee or other fiduciary for such Holders for payment prior to stated maturity.

“Outstanding” shall mean, when used with respect to the Bonds, all Bonds theretofore authenticated and delivered by the Bond Registrar except:

- (a) Bonds paid, redeemed or delivered to or acquired by the Bond Registrar or the Town and cancelled; and
- (b) Bonds deemed to have been paid in accordance with Section 307 or Section 1101 of this Resolution.

“Paying Agent” means, as to any particular Series of Bonds, the banks or trust companies, either within or without the State, designated or provided for in the Series Resolution for such Series of Bonds, which shall perform such functions as Paying Agent; provided, however, the Town, acting by and through the Finance Director, may serve as Paying Agent.

“Pledged Funds” shall mean (i) the Net Revenues, and (ii) until applied in accordance with the provisions of this Resolution, all moneys, including investment income, in the funds, accounts and subaccounts (other than the Arbitrage Rebate Account) established under this Resolution.

“Principal” or “principal” shall mean, (i) with respect to Current Interest Bonds, the stated principal amount thereof, (ii) with respect to Capital Appreciation Bonds, the Accreted Value thereof, as of any particular date of determination, and (iii) with respect to Capital Appreciation and Income Bonds, the Appreciated Value thereof, as of any particular date of determination.

“Principal and Interest Requirements” shall mean the respective amounts which are required in each Fiscal Year to provide:

- (i) for paying the interest on all Bonds then Outstanding which is payable on each Interest Payment Date in such Fiscal Year,
- (ii) for paying the principal of all Serial Bonds then Outstanding which is payable upon the maturity of Serial Bonds in such Fiscal Year,

(iii) the Amortization Requirements for the Term Bonds of such Series for such Fiscal Year, and

(iv) with respect to any Related Hedge Agreement, the unpaid net amounts (but not including any termination or other payment which is not a scheduled payment) scheduled to be paid by the Town under such Related Hedge Agreement in such Fiscal Year as provided in clause (k) below.

In determining the amount of the Principal and Interest Requirements for any Fiscal Year, the following rules shall apply:

(a) with respect to Variable Rate Bonds, the interest rate shall be assumed to be the average rate of interest for all Variable Rate Bonds for the prior Fiscal Year or portion thereof or if there were no Variable Rate Bonds Outstanding during such prior Fiscal Year, then the initial rate of interest on such Variable Rate Bonds; “average rate” shall mean the rate determined by dividing the total annualized amount of interest paid on Variable Rate Bonds in any Fiscal Year or portion thereof by the average principal amount of Variable Rate Bonds Outstanding during such Fiscal Year or portion thereof;

(b) with respect to interim Bonds or Notes, interest only and not the principal shall be included in Principal and Interest Requirements if the Series of Bonds, all or a portion of the proceeds of which are expected to be used to refinance such Interim Bonds or Notes, have been duly authorized by the Town; provided, however, none of the interest or principal on Interim Bonds or Notes shall be included in Principal and Interest Requirements if the Town Council shall determine in the resolution authorizing the issuance of such Interim Bonds or Notes that such Interim Bonds or Notes shall be Subordinated Indebtedness hereunder;

(c) with respect to Optional Tender Bonds, Principal and Interest Requirements shall not include the principal amount of such Optional Tender Bonds payable upon exercise by the holders thereof of the option to tender such Bonds for purchase to the extent and for so long as a Liquidity Facility or a Credit Facility shall be in full force and effect with respect to such Optional Tender Bonds but shall include the regularly scheduled principal payments on such Optional Tender Bonds, either upon payment at maturity or redemption in satisfaction of the Amortization Requirements for such Optional Tender Bonds; provided, however, that during any period of time after the issuer of the Liquidity Facility or the Credit Facility has advanced funds thereunder and before such amount is repaid, Principal and Interest Requirements shall include the principal amount so advanced and interest thereon, in accordance with the principal repayment schedule and interest rate or rates specified in the Liquidity Facility or the Credit Facility;

(d) with respect to Capital Appreciation Bonds, the principal and interest portions of the Accreted Value becoming due at maturity or by virtue of an Amortization Requirement shall be included in the calculations of accrued and unpaid interest and principal requirements;

(e) with respect to Capital Appreciation and Income Bonds, the principal and interest portions of the Appreciated Value becoming due at maturity or by virtue of an Amortization Requirement shall be included in the calculations of accrued and unpaid interest and principal requirements;

(f) if interest on a Series of Bonds is payable from the proceeds of such Bonds or from other amounts set aside irrevocably for such purpose at the time such Bonds are issued, interest on such Series of Bonds shall be included in Principal and Interest Requirements only in proportion to the amount of interest payable in the then current Fiscal Year from amounts other than amounts so funded to pay such interest;

(g) Principal and Interest Requirements shall not include the principal of, redemption premium, if any, and interest on Subordinated Indebtedness;

(h) with respect to Balloon Debt, such Balloon Debt shall be assumed to amortize over a period of thirty (30) years on a level debt service basis as if the principal and interest were being paid from the date of the original issuance of such Balloon Debt;

(i) with respect to debt service on any Federal Subsidy Bonds, when determining the interest on such Bonds for any particular Interest Payment Date, the amount of the corresponding Federal Subsidy Payment shall be deducted from the amount of interest which is due and payable to the holders of such Bonds on the Interest Payment Date, but only to the extent that the Town reasonably believes that it will be in receipt of such Federal Subsidy Payment on or prior to such Interest Payment Date;

(j) for purposes of the calculations required by Sections 209(c) and 502 hereof, "Principal and Interest Requirements" shall also include the interest on, principal of and any amortization requirements for Alternative Parity Debt in such Fiscal Year;

(k) the amount, if any, on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Principal and Interest Requirements shall be deducted from the amount of the principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted;

(l) for purposes of calculating the Principal and Interest Requirements in respect of any Related Hedge Agreement, the following assumptions shall be made:

(1) in the case of amounts payable by the Town under a Related Hedge Agreement based on a variable rate, the projected unpaid net amounts shall be calculated using (i) the variable Reference Rate in effect at the time such calculation is made, with respect to the Town's obligations, and (ii) the fixed Reference Rate applicable to the Hedge Counterparty's obligations at such time, with respect to the Hedge Counterparty's obligations;

(2) in the case of amounts payable by the Town under a Related Hedge Agreement based on a fixed rate, the projected unpaid net

amounts shall be calculated using (i) such fixed Reference Rate, with respect to the Town's obligations and (ii) the variable Reference Rate in effect at the time such calculation is made, with respect to the Hedge Counterparty's obligations;

(3) in the case of amounts payable by the Town in respect of any other type of Related Hedge Agreement amounts payable thereunder shall be calculated in accordance with the joint recommendations of two dealers in instruments similar to such Related Hedge Agreement, one of whom shall be selected by the Town and the other of whom shall be selected by the Hedge Counterparty; and

(4) in all of the above cases (1) through (3), Principal and Interest Requirements shall not include the amount of any termination payment or other non-scheduled payment.

"Project" shall mean the Improvements to be financed with the proceeds of a Series of Stormwater Utility System Revenue Bonds, as described in the Series Resolution authorizing such Series of Bonds; provided however, that the Improvements constituting the Series 2021 Project shall be as described in Exhibit A hereto, as the same may be modified or supplemented from time to time by the Town.

"Rate Consultant" shall mean a consultant or consulting firm or corporation at the time employed by the Town under the provisions of Section 502 of this Resolution (which may be the Consulting Engineers) to perform and carry out the duties imposed on the Rate Consultant by said Section 502.

"Rating Agencies" shall mean each of Moody's Investors Service, Standard & Poor's and Fitch, to the extent that Moody's Investors Service, Standard & Poor's and Fitch then have ratings issued and outstanding in respect of any Bonds.

"Redemption Subaccount" shall mean the Redemption Subaccount, a special subaccount within the Sinking Fund Account created and designated by Section 505 of this Resolution.

"Reference Rate" shall mean the reference or index rate, as specified in each Hedge Agreement entered into by the Town or as specified in the applicable Series Resolution for a Series of Bonds.

"Refunding Bonds" shall mean the Bonds issued at any time under the provisions of Section 210 of this Resolution.

"Register" means the registration book or books maintained by the Bond Registrar for the Bonds.

"Regular Record Date" shall mean the 15th day (whether or not a business day) of the month preceding any Interest Payment Date; provided, however, that a different Regular Record Date may be provided for a Series of Bonds pursuant to the Series Resolution with respect to such Series.

“Related Hedge Agreement” shall mean a Hedge Agreement that is designated a “Related Hedge Agreement” pursuant to Section 212 hereof.

“Renewal, Replacement and Improvement Account” shall mean the Stormwater Utility System Renewal, Replacement and Improvement Account, a special account within the Enterprise Fund created and designated by Section 505 of this Resolution.

“Renewal, Replacement and Improvement Account Monthly Deposit Requirement” means an amount equal to seven and one-half percent (7.50%) of the Adjusted Current Expenses for the Fiscal Year in question.

“Renewal, Replacement and Improvement Account Requirement” shall mean an amount equal to (i) \$385,000 or (ii) such greater or lesser amount as may be periodically recommended by the Consulting Engineer or the Rate Consultant; provided, however, that the Consulting Engineer or the Rate Consultant shall make its recommendation as to the appropriate funding level of the Renewal, Replacement and Improvement Account not less frequently than every four (4) years.

“Reserve Account” shall mean the Stormwater Utility System Revenue Bonds Reserve Account, a special account within the Enterprise Fund created and designated by Section 505 of this Resolution, including any subaccounts created therein and any separate Reserve Accounts created as permitted by Section 505 of this Resolution.

“Reserve Account Deposit Requirement” shall mean the amount, if any, determined in each Series Resolution, required to be deposited monthly to the credit of the Reserve Account on account of such Series; provided, however, that to the extent a Reserve Account is established for a Series of Bonds:

(i) the Reserve Account Deposit Requirement for any Series shall not be less than one-twelfth (1/12) of the Reserve Account Requirement for such Series in each month until the amount on deposit in the Reserve Account shall be equal to the Reserve Account Requirement for such Series; and

(ii) in the event any deficiency is created in the Reserve Account for any Series by a withdrawal or otherwise, the Reserve Account Deposit Requirement for such Series shall be increased, beginning in the month following the month in which such deficiency was created, by an amount at least equal to one-twelfth (1/12) of the amount of such deficiency or, in the case of a deficiency created by a withdrawal under a Reserve Account Insurance Policy or a Reserve Account Letter of Credit, the deficiency may be cured either by an increase in the Reserve Account Deposit Requirement as stated above or by the entity providing such facility restoring the withdrawn amount to the amount available under such facility.

“Reserve Account Insurance Policy” shall mean an insurance policy, surety bond or other acceptable evidence of insurance, if any, maintained by the Town in lieu of or in partial substitution for cash or securities on deposit in the Reserve Account, provided that the entity providing such facility is, at the time the Reserve Account Insurance Policy is provided, of sufficient credit quality to entitle debt backed by its facility to be rated in one of the three highest rating categories (without regard to any gradations within such categories) by at least two of the Rating Agencies.

“Reserve Account Letter of Credit” shall mean an irrevocable, transferable letter of credit, if any, maintained by the Town in lieu of or in partial substitution for cash or securities on deposit in the Reserve Account, provided that the entity providing such facility is, at the time the Reserve Account Letter of Credit is provided, of sufficient credit quality to entitle debt backed by its facility to be rated in one of the three highest rating categories (without regard to any gradations within such categories) by at least two of the Rating Agencies.

“Reserve Account Requirement” shall mean an amount equal to the lesser of (i) the Maximum Principal and Interest Requirements for all Outstanding Bonds secured by the Reserve Account, (ii) 125% of the average annual Principal and Interest Requirements for all Outstanding Bonds secured by the Reserve Account and (iii) 10% of the original proceeds (within the meaning of the Code) of all Series of Bonds Outstanding secured by the Reserve Account; provided that, if the Series Resolution corresponding to a Series of Bonds provides for the establishment of a separate subaccount in the Reserve Account to secure only such Series of Bonds (with such Series of Bonds having no claim on the other moneys deposited to the credit of the Reserve Account), the Reserve Account Requirement for such Series of Bonds shall be calculated as set forth in the corresponding Series Resolution. The Series Resolution for a Series of Bonds may provide that such Series of Bonds shall not be secured by the Reserve Account or any separate account therein. If a Series of Bonds is to be secured by the Reserve Account or a separate account therein, the Town shall be permitted to provide all or a portion of the Reserve Account Requirement by the execution and delivery of a Reserve Account Insurance Policy or a Reserve Account Letter of Credit or other similar arrangement which, after its issuance and delivery, will permit the Bond Registrar to receive the full amount covered by such arrangement without further conditions, financial or otherwise.

“Revenue Account” shall mean the Stormwater Utility System Revenue Account, a special account within the Enterprise Fund created and designated by Section 504 of this Resolution.

“Revenues” shall mean all income and moneys received by the Town in connection with or as a result of its ownership or operation of the Stormwater Utility System, including, but not limited to, the income derived by the Town from the fees and charges imposed for the Stormwater Utility System pursuant to the Stormwater Code Provisions, any proceeds of use and occupancy insurance on the Stormwater Utility System or any part thereof; provided, however, Revenues shall not include grants, contributions or donations, proceeds of insurance (except use and occupancy insurance) and condemnation awards, moneys held in any Arbitrage Rebate Account established in connection with the issuance of any Series of Bonds, proceeds of sales of property constituting a part of the Stormwater Utility System, the proceeds of Stormwater Utility System Bonds or the proceeds of Stormwater Utility System Debt.

“Serial Bonds” shall mean the Bonds of a Series which shall be stated to mature in annual installments.

“Series” shall mean the Bonds delivered at any one time under the provisions of Sections 208, 209 or 210 of this Resolution.

“Series 2021 Bonds” shall mean the Town of Miami Lakes, Florida Stormwater Utility System Revenue Bonds, Series 2021, to be issued under the provisions of Section 208 of this

Resolution in an aggregate principal amount of not exceeding \$15,500,000, with the exact principal amount of such Series 2021 Bonds to be determined as provided in Section 208(a) hereof.

“Series 2021 Project” shall mean the Improvements to the Stormwater Utility System described in Exhibit A hereto, as the same may be modified or supplemented by the Town.

“Series Resolution” shall mean (i) as to the Series 2021 Bonds, Section 208 of this Resolution, and (ii) as to any one or more additional Series of Bonds, the resolution or resolutions of the Town Council providing for the authorization, sale and issuance of such Series of Bonds authorized to be issued as Additional Bonds under Section 209 hereof or Refunding Bonds under Section 210 hereof; provided, however, that a Series Resolution may provide that the terms of a particular Series of Bonds shall be set forth in the Bond Purchase Contract for such Series of Bonds and/or in a Town Manager’s certificate establishing the terms of such Series of Bonds. Each Series Resolution shall (a) determine or provide for the determination of the details of the Bonds of such Series, including, among other things, the maximum principal amount of such Series, the date thereof, the method of payment of interest thereon, the maximum maturity thereof, the redemption provisions relating thereto, including the Amortization Requirements for the Term Bonds, if any, the Bond Registrar therefor, and whether the Bonds of such Series shall be issuable in book entry or certificated form, (b) if such Bonds are being issued pursuant to the provisions of Sections 209 hereof, define any Improvements to be financed with the proceeds of such Series, (c) if such Bonds are being issued pursuant to the provisions of Section 210 hereof, describe the Bonds to be refunded, (d) provide for the application of the proceeds of the Bonds to which such Series Resolution relates, (e) if permitted pursuant to Section 505 of this Resolution, create a separate Sinking Fund for such Series and determine the method of funding of the Sinking Fund for such Series, (f) establish the Reserve Account Requirement, if any, for such Series, and (g) set forth additional covenants and provisions with respect to any Series required in order to obtain a Credit Facility, a Reserve Account Insurance Policy or a Reserve Account Letter of Credit, including any special provisions designed to comply with repayment requirements under reimbursement or repayment agreements with the entities providing such credit enhancement facilities, and such other matters as the Town Council shall determine.

“Short-Term Indebtedness” shall mean all indebtedness incurred or assumed by the Town (excluding bond anticipation notes issued as Interim Bonds or Notes), with respect to the Stormwater Utility System for any of the following:

- (i) Payments of principal and interest with respect to money borrowed for an original term, or renewable at the option of the Town for a period from the date originally incurred, of one year or less;
- (ii) Payments under leases having an original term, or renewable at the option of the lessee for a period from the date originally incurred, of one year or less; and
- (iii) Payments under installment purchase contracts having an original term of one year or less.

“Sinking Fund Account” shall mean the Stormwater Utility System Revenue Bonds Sinking Fund Account, a special account within the Enterprise Fund created and designated by Section 505 of this Resolution.

“Special Record Date” shall mean a date fixed by the Bond Registrar for the payment of Defaulted Interest pursuant to Section 202 of this Resolution.

“Standard & Poor’s” shall mean S&P Global Ratings, a division of S&P Global Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town.

“State” shall mean the State of Florida.

“State Revolving Fund” shall mean the state revolving loan fund established by the State under the Federal Clean Water Act.

“State Revolving Fund Indebtedness” shall mean a loan of moneys from the State Revolving Fund to the Town for the purpose of paying all or any part of the Cost of constructing or acquiring Improvements permitted to be financed with State Revolving Fund moneys under the Federal Clean Water Act.

“Stormwater Code Provisions” means Chapter 41, Article II of the Town of Miami Lakes Code of Ordinances, as the same may be amended from time to time.

“Stormwater Utility System” shall mean and includes any existing plant, system, facility or property, and additions, extensions and improvements to any of the foregoing, at any future time constructed or acquired and leased or owned by the Town and useful or necessary or having a present capacity for future use in connection with the collection, treatment and disposal of stormwater, and without limiting the generality of the foregoing definition, shall include treatment plants, pumping stations, lift stations, valves, force mains, laterals, mains and all requisite appurtenances and equipment, and shall include all real and personal property and any interest in the foregoing, rights, easements and franchises of any nature whatsoever relating to, or convenient for the operation of, any such stormwater management system.

“Stormwater Utility System Debt” shall mean Alternative Parity Debt, Short Term Indebtedness, Subordinated Indebtedness, Interim Bonds or Notes, any State Revolving Fund Indebtedness and any other indebtedness issued or incurred by the Town payable from Net Revenues of the Stormwater Utility System other than Bonds issued under Article II of this Resolution.

“Subordinated Indebtedness” shall mean bonds, notes or other forms of indebtedness, the payment of the principal of or interest or redemption premium on which are payable solely from moneys which may from time to time be on deposit in the Subordinated Indebtedness Account under this Resolution and which is designated as Subordinated Indebtedness by the Town Council in the resolution authorizing the issuance of such Subordinated Indebtedness.

“Subordinated Indebtedness Account” shall mean the Stormwater Utility System Subordinated Indebtedness Account, a special account within the Enterprise Fund created and designated by Section 505 of this Resolution.

“Term Bonds” shall mean the Bonds of a Series so designated in the Series Resolution for such Bonds.

“Town” shall mean the Town of Miami Lakes, Florida.

“Town Attorney” shall mean the Town Attorney of the Town, his/her designated assistant or an attorney or firm of attorneys succeeding to his/her principal functions.

“Town Clerk” shall mean the Town Clerk of the Town or his/her designee or the officer succeeding to his/her principal functions.

“Town Council” shall mean the Town Council of the Town or any successor commission, council, board or body in which the general legislative power of the Town shall be vested.

“Town Engineer” shall mean the Town Engineer of the Town or his/her designee or the person succeeding to his/her principal functions.

“Town Manager” shall mean the Town Manager of the Town or his/her designee or the officer succeeding to his/her principal functions.

“Underwriters” means (i) with respect to the Series 2021 Bonds, Raymond James & Associates, Inc. and RBC Capital Markets, LLC and (ii) with respect to any other Series of Bonds, the investment banking firm or firms set forth in or provided for in the Series Resolution for such Series of Bonds.

“Variable Rate Bonds” shall mean any Bonds issued under this Resolution the interest rate on which is not established at the time of issuance at a single numerical fixed rate.

Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “Bond”, “owner”, “Holder” and “persons” shall include the plural as well as the singular number, the word “person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, and the word “Holder” or “Bondholders” when used herein with respect to Bonds issued hereunder shall mean the Holder or registered owner, as the case may be, of Bonds at the time issued and Outstanding hereunder. The word “may” shall mean “may, but shall not be required to” and the word “including” shall mean “including, without limitation”.

Section 103. Resolution Constitutes Contract. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Town and the Bondholders. The covenants and agreements herein set forth to be performed by the Town shall be for the equal benefit, protection and security of the Bondholders, and all Bonds shall be of equal

rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

Section 104. Incorporation of Recitals. The recitals contained in the “Whereas” clauses at the beginning of this Resolution are incorporated herein for all purposes.

[END OF ARTICLE I]

ARTICLE II

FORM, EXECUTION, DELIVERY AND REGISTRATION OF BONDS

Section 201. Issuance of Bonds. For the purpose of providing funds for paying all or part of the cost of the Series 2021 Project, Bonds of the Town may be issued under and secured by this Resolution subject to the conditions hereinafter provided in Section 208 of this Article. Bonds of the Town may also be issued under and secured by this Resolution, subject to the conditions hereinafter provided in Sections 209 and 210 of this Article, for the purpose of paying the cost of Improvements and refunding all or any portion of the Bonds of one or more Series issued by the Town under the provisions of this Resolution. The principal of and the interest on all such Bonds shall be payable solely from the special account hereinafter created and designated “Stormwater Utility System Revenue Bonds Sinking Fund Account” or other separate Sinking Fund Accounts created under the provisions of Section 505 of this Resolution, such Bonds shall be secured by a lien on and pledge of the Pledged Funds, and all of the covenants, agreements and provisions of this Resolution shall be for the benefit and security of all and singular the present and future Holders of the Bonds so issued or to be issued, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or otherwise.

Section 202. Details of Bonds. Unless two or more Series of Bonds are to be issued at one time, each Series of Bonds issued hereunder shall be created by a different Series Resolution. The Bonds of each Series issued under the provisions of this Article shall be designated “Town of Miami Lakes, Florida Stormwater Utility System Revenue Bonds, Series ____,” or such appropriate variation thereof as contained herein or in any Series Resolution in each case inserting an identifying Series year, and if more than one Series are expected to be issued in a single calendar year, inserting an identifying Series letter in addition to the year. Except as otherwise provided in the Series Resolution relating to a Series of Bonds, the Bonds of any Series are issuable in fully registered form without coupons in denominations (either with respect to original principal amount or principal amount payable at maturity) of \$5,000 or any whole multiple thereof. Bonds shall be numbered consecutively from R-1 upwards except as provided by the Series Resolution for a particular Series of Bonds. Bonds of each Series shall be dated, and shall bear interest until their payment at a rate or rates, including rates which may vary, not exceeding the maximum rate then permitted by law, such interest being payable and such Bonds being subject to redemption prior to their respective maturities, all as provided in the Series Resolution for such Series.

Unless otherwise provided in the Series Resolution pursuant to which a Series of Bonds is issued, each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon any Interest Payment Date in which event it shall bear interest from such Interest Payment Date or (b) authenticated before the first Interest Payment Date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid; except for (i) Capital Appreciation Bonds which shall bear interest as described in the definition of “Accreted Value,” payable only upon redemption or maturity thereof and (ii) Capital Appreciation and Income Bonds which shall bear interest as described in the definition of “Appreciated Value,” payable on the amount due at maturity but only from and after the Interest Commencement Date.

Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America (or other coin or currency provided for in the Series Resolution applicable to any Series) that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The principal of the Bonds shall be payable upon the presentation and surrender of such Bonds as the same shall become due at the designated office of the Bond Registrar.

Unless otherwise provided in the Series Resolution pursuant to which a Series of Bonds is issued, any interest on any Bond which is payable, and is punctually paid, or for which payment is duly provided, on any Interest Payment Date shall be paid to the person in whose name the Bond is registered in the registration books provided for in Section 206 of this Resolution (hereinafter, as used in this Section, the "Holder") at the close of business on the Regular Record Date. The Bond Registrar shall pay interest which is payable on the Bonds by check or draft mailed to the persons entitled thereto on the Interest Payment Date; provided, however, that, if so provided by Series Resolution, each Holder of Bonds aggregating not less than \$1,000,000 shall be entitled to the payment of such interest by wire transfer to the bank account number on file with the Paying Agent, upon written request to the Paying Agent received prior to the Record Date preceding any Interest Payment Date, which written request shall specify the bank (which shall be a bank within the continental United States) and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed by written notice to the Paying Agent received prior to the Record Date preceding any Interest Payment Date.

Unless otherwise provided in the Series Resolution pursuant to which a Series of Bonds is issued, any interest on any Bond which is payable, but is not punctually paid, or for which payment is not duly provided, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest may be paid by the Town, at its election in each case, as provided in clause A or B below:

A. The Town may elect to make payment of any Defaulted Interest on the Bonds of any Series to the persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Town shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Paying Agent to comply with the next sentence hereof), and at the same time the Town shall deposit or cause to be deposited with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as provided in this subsection. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the Town of such Special

Record Date and, in the name and at the expense of the Town, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at such Holder's address as it appears in the registration books provided for in Section 206 of this Resolution not less than ten (10) days prior to such Special Record Date. The Paying Agent may, in its discretion, in the name and at the expense of the Town, cause a similar notice to be published at least once in a Daily Newspaper of general circulation published in the County, and in a Daily Newspaper of general circulation or in a financial journal published in the Borough of Manhattan, Town and State of New York, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds of such Series are registered on such Special Record Date and shall no longer be payable pursuant to the following clause B. The Paying Agent shall pay such Defaulted Interest which is payable on the Bonds pursuant to this clause A by check or draft mailed to the persons entitled thereto on the date fixed for the payment of such Defaulted Interest pursuant to this clause A; provided, however, the Town Council, pursuant to the Series Resolution for a Series, may provide for payment of such Defaulted Interest by the Paying Agent by wire transfer.

B. The Town may make payment of any Defaulted Interest on the Bonds of any Series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Town to the Paying Agent of the proposed payment pursuant to this clause B, such payment shall be deemed practicable by the Paying Agent.

Subject to the foregoing provisions of this section, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 203. Execution and Form of Bonds. The Bonds shall be signed by or bear the facsimile signature of the Mayor and shall be signed by or bear the facsimile signature of the Town Clerk and the official seal of the Town or a facsimile thereof shall be impressed or imprinted on the Bonds; provided, however, that if required by State law at the time of such execution, the Bonds shall be manually executed by the Mayor. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery and also any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The Bonds issued under the provisions of this Article, the certificate of authentication, the statement of validation, if any, the opinion certification and the form of assignment shall be, respectively, in the forms attached hereto as Exhibit B with such appropriate variations, omissions and insertions as may be required or

permitted by this Resolution or the Series Resolution pursuant to which such Bonds are issued. All Bonds shall be endorsed thereon with such legends or text as may be necessary or appropriate to conform to the applicable rules and regulations of any governmental authority or any securities exchange on which such Bonds may be listed or to any requirements of law with respect thereto.

The forms of Bonds may be changed as specified in any Series Resolution to reflect appropriate provisions for different types of Bonds authorized under this Resolution, including, without limitation, provisions for Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Interim Bonds, Variable Rate Bonds, Optional Tender Bonds and Convertible Bonds.

Section 204. Authentication of Bonds. Only such of the Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit B attached hereto, duly executed by the Bond Registrar, shall be entitled to any benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution and the Series Resolution relating to such Bond. The certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds of a Series that may be issued hereunder at any one time.

Section 205. Exchange of Bonds. Bonds, upon surrender thereof at the principal corporate trust office of the Bond Registrar, together with an assignment duly executed by the registered owner or such registered owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series and maturity, of any denomination or denominations authorized by this Resolution or the Series Resolution relating to such Bonds, and bearing interest at the same rate.

The Town shall make provision for the exchange of Bonds at the principal corporate trust office of the Bond Registrar.

Section 206. Negotiability, Registration and Transfer of Bonds. The Bond Registrar shall keep books for the registration of and for the registration of transfer of Bonds as provided in this Resolution. The transfer of any Bond may be registered only upon the books kept by the Bond Registrar for the registration of and registration of transfer of Bonds upon surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or such registered owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer the Town shall execute and the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds registered in the name of the transferee, of any denomination or denominations authorized by the Series Resolution relating to such Bonds.

In all cases in which Bonds shall be exchanged, the Town shall execute and the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of

transfer shall forthwith be cancelled by the Bond Registrar. The Town or the Bond Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any owner of Bonds for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Resolution. Neither the Town nor the Bond Registrar shall be required to make any such exchange or registration of transfer of Bonds during the fifteen (15) days immediately preceding the date of first publication or mailing of notice of such redemption, or after such Bond or any portion thereof has been selected for redemption.

Section 207. Ownership of Bonds. As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and the principal of and interest on any such Bond shall be paid only to or upon the order of the registered owner thereof or such registered owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the principal of, premium, if any, and interest thereon to the extent of the sum or sums so paid.

Section 208. Issuance and Details of Series 2021 Bonds.

(a) Authorization. There shall be initially issued under and secured by this Resolution the Series 2021 Bonds of the Town, and this Section 208 shall be deemed to be the Series Resolution for such Series 2021 Bonds. The Series 2021 Bonds shall be issued in the aggregate principal amount not to exceed Fifteen Million Five Hundred Thousand Dollars (\$15,500,000), with the exact aggregate principal amount of said Series 2021 Bonds to be determined by the Town Manager as set forth in the Bond Purchase Contract described below. The Series 2021 Bonds shall be issued for the purpose of providing funds, together with other available moneys, (i) to pay the Costs of the Series 2021 Project, (ii) to make a deposit to the Reserve Account or a subaccount therein, in an amount equal to the Reserve Account Requirement for the Series 2021 Bonds, or to pay the premium for a Reserve Account Insurance Policy in satisfaction of the Reserve Account Requirement, and (iii) to pay the costs of issuance of the Series 2021 Bonds including, without limitation, the premium for a municipal bond insurance policy insuring all or a portion of the Series 2021 Bonds. The Series 2021 Bonds shall be designated "Town of Miami Lakes, Florida Stormwater Utility System Revenue Bonds, Series 2021."

The Town Council hereby finds and determines that the issuance of the Series 2021 Bonds and the financing of the Cost of Improvements to the Stormwater Utility System from the proceeds of such Series 2021 Bonds will serve a valid public and municipal purpose in accordance with the Act.

The Series 2021 Bonds shall be executed in the manner set forth in this Resolution and shall be deposited with the Bond Registrar for authentication, but prior to or simultaneously with the authentication and delivery of the Series 2021 Bonds there shall be filed with the Town Manager the following documents and opinions:

- (i) a copy, certified by the Town Clerk, of the Authorizing Ordinance;

- (ii) a copy, certified by the Town Clerk, of this Resolution;
- (iii) an opinion of the Town Attorney addressing such substantive points as set forth in the Bond Purchase Contract;
- (iv) an opinion or opinions of Bond Counsel to the effect that (A) this Resolution has been duly adopted by the Town Council, is in full force and effect and is enforceable in accordance with its terms, (B) the issuance of the Series 2021 Bonds has been duly and validly authorized, (C) the Pledged Funds have been lawfully pledged, to the extent described in this Resolution, for the payment of the Series 2021 Bonds, (D) the Series 2021 Bonds constitute special obligations of the Town payable in accordance with the provisions of this Resolution and (E) the interest on the Series 2021 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes; provided, however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights and judicial discretion; and
- (v) any additional documents or opinions as Bond Counsel, the Underwriters of the Series 2021 Bonds or their counsel may reasonably require.

When (i) the documents mentioned above shall have been filed with the Town Manager, (ii) the Series 2021 Bonds shall have been executed by the Town and authenticated by the Bond Registrar as required by this Resolution, and (iii) the Underwriters have paid to the Town the purchase price of the Series 2021 Bonds, then the Bond Registrar shall deliver such Series 2021 Bonds to or upon the order of the Underwriters as set forth in the Bond Purchase Contract.

The proceeds of the Series 2021 Bonds shall be applied by the Town in the manner provided in a certificate of the Finance Director to be delivered prior to or simultaneously with the issuance of the Series 2021 Bonds.

(b) Form, Denominations, Date, Interest Rates and Maturity Dates. The Series 2021 Bonds are issuable only in fully registered form and shall be in substantially the form thereof set forth in Exhibit "B" to this Resolution, with such appropriate variations, omissions and insertions as may be required therein and approved by the Town Manager as set forth in the Bond Purchase Contract. The Series 2021 Bonds shall be issued in denominations of \$5,000 or any multiple thereof, or such other denominations as determined by the Town Manager. The Series 2021 Bonds shall be dated on such date determined by the Town Manager and set forth in the Bond Purchase Contract and shall bear interest as provided in Section 202 hereof, unless otherwise determined by the Town Manager and set forth in the Bond Purchase Contract. Interest on the Series 2021 Bonds shall be payable semiannually on March 1 and September 1 of each year (or on such other dates determined by the Town Manager), commencing on such date as shall be determined by the Town Manager. The Series 2021 Bonds shall mature on such date, in such year or years, but not later than the year 2051, shall bear interest at such fixed rate or rates, may be

subject to mandatory redemption and optional redemption, all as determined by the Town Manager and as set forth in the Bond Purchase Contract; provided, however, that the Series 2021 Bonds shall be sold to the Underwriters at not less than ninety-nine percent (99.0%) (including underwriters' discount but excluding original issue discount or premium) of the original principal amount of the Series 2021 Bonds and at a true interest cost rate not to exceed four and one-half percent (4.50%) per annum. The Series 2021 Bonds shall be numbered consecutively from R-1 and upwards. Subject to the foregoing, the aggregate principal amount, maturities, interest rates and other terms of the Series 2021 Bonds shall be as approved and determined by the Town Manager and set forth in the Bond Purchase Contract, with the execution and delivery of the Bond Purchase Contract by the Town Manager and the attestation thereof by the Town Clerk being conclusive evidence of the Town's approval of the final details and prices of the Series 2021 Bonds. The Series 2021 Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The execution and delivery of the Series 2021 Bonds substantially in the form mentioned above is hereby authorized, and the execution of the Series 2021 Bonds for and on behalf of the Town, with a facsimile or manual signature by the Mayor, with the official seal of the Town impressed or imprinted thereon and attested, with a facsimile or manual signature by the Town Clerk are hereby authorized and shall be conclusive evidence of any such approval.

All payments of interest on the Series 2021 Bonds shall be made by check mailed to the owners in whose names Series 2021 Bonds are registered on the Record Date; provided, however, that the Holder of Series 2021 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer as provided in Section 202 hereof. Interest on the Series 2021 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

(c) Optional Redemption. The Series 2021 Bonds may be made subject to redemption prior to maturity at the option of the Town, in whole or in part at any time, at such times, and at the redemption prices, as approved and determined by the Town Manager, as set forth in the Bond Purchase Contract; provided, however, any redemption premium on the Series 2021 Bonds shall not exceed one hundred one percent (101%). The execution, attestation, seal and delivery of the Bond Purchase Contract by the Mayor and the Town Clerk shall be conclusive evidence of the Town's approval of the optional redemption provisions contained therein relating to the Series 2021 Bonds.

(d) Mandatory Sinking Fund Redemption. The Series 2021 Bonds consisting of Term Bonds, if any, shall be subject to mandatory redemption prior to maturity to the extent of the Amortization Requirements therefor at the principal amount of such Series 2021 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, but without premium, for which there is an Amortization Requirement due on such Series 2021 Bonds. The Amortization Requirements and redemption date or dates for the Series 2021 Bonds consisting of Term Bonds shall be as approved and determined by the Town Manager, all as set forth in the Bond Purchase Contract. The execution and delivery of the Bond Purchase Contract by the Mayor and the Town Clerk shall be conclusive evidence of

the Town's approval of the mandatory sinking fund redemption provisions contained therein relating to the Series 2021 Bonds.

(e) Reserve Account Requirement for Series 2021 Bonds. Upon issuance of the Series 2021 Bonds, an amount equal to the Reserve Account Requirement for the Series 2021 Bonds shall be deposited to the credit of the Reserve Account from the proceeds thereof; provided, however, that if upon consultation with the Financial Advisor, the Town Manager determines that it is in the best interests of and advantageous to the Town to do so, the Town Manager may provide for the funding of the Reserve Account Requirement for the Series 2021 Bonds through a Reserve Account Insurance Policy or a combination of proceeds of the Series 2021 Bonds and a Reserve Account Insurance Policy. The determination required to be made by the Town Manager pursuant to this Section 208(e) shall be made prior to the execution of the Bond Purchase Contract for the Series 2021 Bonds and shall be set forth in an exhibit to said Bond Purchase Contract together with the other details of the Series 2021 Bonds required to be determined by the Town Manager, as set forth in this Resolution. The execution, attestation and delivery of the Bond Purchase Contract by the Mayor and the Town Clerk shall be conclusive evidence of the Town Council's approval of the determinations to be made by the Town Manager pursuant to this Section 208(e). Since the Series 2021 Bonds are the first Series of Bonds to be issued under the provisions of the Resolution, upon issuance of the Series 2021 Bonds the Reserve Account shall secure only the Series 2021 Bonds. Upon issuance of any future Series of Additional Bonds or Refunding Bonds, the Reserve Account may secure such other Series of Bonds only if the Reserve Account Requirement for such Series of Bonds is established in accordance with clauses (i) through (iii) of the definition of "Reserve Account Requirement" and such amount is deposited to or for the credit of the Reserve Account (either from the proceeds of such other Series of Bonds or through a Reserve Account Insurance Policy or a combination thereof).

(f) Renewal, Replacement and Improvement Account Requirement. The Renewal, Replacement and Improvement Account Requirement is to be satisfied through deposits into the Renewal, Replacement and Improvement Account on a monthly basis commencing the later of the twentieth (20th) day of the month immediately after the issuance of the Series 2021 Bonds or October 20, 2021, from amounts available in the Revenue Account after making the deposits required by clauses (a) – (c) of Section 505 hereof, in accordance with the requirements of said Section 505.

(g) Approval of Form of Paying Agent and Bond Registrar Agreement; Designation of Paying Agent and Bond Registrar. The execution and delivery of the Paying Agent and Bond Registrar Agreement in connection with the issuance of the Series 2021 Bonds is hereby authorized and approved. The Town Council hereby authorizes and directs the Town Manager to determine the final provisions of the Paying Agent and Bond Registrar Agreement. The Mayor is hereby authorized to execute and the Town Clerk is hereby authorized to attest to, seal and deliver the Paying Agent and Bond Registrar Agreement in substantially the form approved at this meeting and attached hereto as Exhibit "C," subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney and Bond Counsel. The execution, attestation and delivery of the

Paying Agent and Bond Registrar Agreement, as described herein, shall be conclusive evidence of the Town's approval of any such determinations, changes, insertions, omissions or filling in of blanks. TD Bank, N.A. is hereby designated to serve as Paying Agent and as Bond Registrar for the Series 2021 Bonds under this Resolution.

(h) Findings Regarding Negotiated Sale. In accordance with Section 218.385, Florida Statutes, based on the advice of Estrada Hinojosa & Company, Inc., which serves as financial advisor to the Town in connection with the issuance of the Series 2021 Bonds (the "Financial Advisor"), the Town hereby reaffirms and confirms the findings set forth in the Authorizing Ordinance regarding the need for a negotiated sale of the Series 2021 Bonds. A negotiated sale of the Series 2021 Bonds being in the best interests of the Town, the Town Council hereby authorizes the negotiated sale of the Series 2021 Bonds to the Underwriters pursuant to the terms and provisions set forth in the Bond Purchase Contract.

(i) Award. The Town hereby approves the Bond Purchase Contract in substantially the form presented to this meeting and attached hereto as Exhibit "D," with such variations, omissions and insertions as may be necessary to evidence the final terms of the Series 2021 Bonds. Upon compliance by the Underwriters with the requirements of Section 218.385(6), Florida Statutes, the Town Manager is authorized to finalize the terms of and execute the Bond Purchase Contract, and to deliver said Bond Purchase Contract to the Underwriters. The Town Council hereby approves the negotiated sale of the Series 2021 Bonds to the Underwriters upon the terms and conditions set forth herein and as set forth in the Bond Purchase Contract. The Town Council hereby authorizes and directs the Mayor to determine the final provisions of the Bond Purchase Contract, within the parameters for the Series 2021 Bonds set forth in Section 208 of this Resolution, and authorizes and directs the Mayor to execute and the Town Clerk to attest to, seal and deliver the Bond Purchase Contract in substantially the form approved at this meeting and attached hereto as Exhibit "D," subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney and Bond Counsel. The execution, attestation and delivery of the Bond Purchase Contract by the Mayor and the Town Clerk shall be conclusive evidence of the Town's approval of any such determinations, changes, insertions, omissions or filling in of blanks.

(j) Approval of Preliminary Official Statement and Final Official Statement. The use and distribution by the Underwriters of the Preliminary Official Statement in connection with the offering of the Series 2021 Bonds for sale by the Underwriters, in substantially the form presented to the Town Council at this meeting, and attached hereto as Exhibit "E," is hereby approved and such Preliminary Official Statement, with the permitted omissions, is deemed "final" for purposes of the Rule. The Mayor, the Town Manager and the Finance Director are authorized and directed to execute and deliver a final Official Statement in the name and on behalf of the Town, and thereupon to cause such Official Statement to be delivered to the Underwriters within seven (7) Business Days of the execution of the Bond Purchase Contract, with such variations, omissions and insertions as may be determined by the Town Manager after consultation with the Financial Advisor, the Finance Director, the Town Attorney, Disclosure Counsel and Bond Counsel. The use and distribution of a final Official Statement in substantially the form of the

Preliminary Official Statement, and with such terms and provisions as modified to incorporate the final terms of the sale of the Series 2021 Bonds, is hereby authorized and approved, subject to such changes, modifications, deletions and additions as the Town Manager, upon the advice of the Finance Director, the Town Attorney, Disclosure Counsel and Bond Counsel may deem necessary and appropriate, the execution of the final Official Statement for and on behalf of the Town by the Mayor, the Town Manager and the Finance Director being conclusive evidence of the Town's approval of any such changes.

(k) Disclosure Dissemination Agent Agreement. The Town Council hereby authorizes and directs the Mayor to execute and the Town Clerk to attest to, seal and deliver a Disclosure Dissemination Agent Agreement in substantially the form approved at this meeting and attached hereto as Exhibit "F," subject to such changes, insertions and omissions and such filling in of blanks therein as hereafter may be approved and made by the Town Manager upon the advice of the Town Attorney, Disclosure Counsel and Bond Counsel. The execution, attestation and delivery of the Disclosure Dissemination Agent Agreement by the Mayor and the Town Clerk shall be conclusive evidence of the Town's approval of any such determinations, changes, insertions, omissions or filling in of blanks. Digital Assurance Certification, LLC ("DAC") is hereby appointed as the initial Dissemination Agent under the Disclosure Dissemination Agent Agreement.

(l) Use of Proceeds of Series 2021 Bonds. The proceeds received from the sale of the Series 2021 Bonds herein authorized shall be applied, withdrawn and transferred, as applicable, for the purposes stated in and in a manner consistent with the "Sources and Uses of Funds" section of the final Official Statement for the Series 2021 Bonds and the Bond Purchase Contract. The specific application of proceeds of the Series 2021 Bonds, including, without limitation, amounts, if any, to be deposited in the funds and accounts established by this Resolution for the Series 2021 Bonds shall be set forth in a certificate to be delivered by the Finance Director simultaneously with the delivery of the Series 2021 Bonds. The Town Council hereby approves the payment of all fees and expenses of the Town relating to the issuance of the Series 2021 Bonds in accordance with the estimate of fees and expenses attached hereto as Schedule "A."

(m) Book-Entry Only System. The Series 2021 Bonds are to be issued as uncertificated securities, pursuant to the book-entry only system maintained by The Depository Trust Company of New York, New York ("DTC"), subject to the terms and provisions of Section 215 hereof. Upon initial issuance of the Series 2021 Bonds, and until the Series 2021 Bonds are no longer maintained through DTC's book-entry only system, the Registered Owner of all the Series 2021 Bonds shall be, and the Series 2021 Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. The Series 2021 Bonds shall be initially issued in the form of separate single typewritten Bonds for each maturity of the Series 2021 Bonds.

(n) In making the determinations as to the details and other matters relating to the Series 2021 Bonds and the documentation related thereto, the Town Manager is entitled to consult with and seek advice from the Financial Advisor, the Finance Director, the Town Attorney, Bond Counsel and Disclosure Counsel.

Section 209. Additional Bonds. In addition to the Series 2021 Bonds authorized under the provisions of Section 208 of this Article, Additional Bonds of the Town may be issued under and secured by this Resolution, on a parity as to the pledge of the Pledged Funds with the Bonds theretofore issued under Sections 208, 209 or 210 of this Resolution and secured by this Resolution and then Outstanding, subject to the conditions hereinafter provided in this Section, from time to time for the purpose of (i) paying all or any part of the Cost of any Improvements or (ii) refinancing any Alternative Parity Debt.

Before any Additional Bonds shall be issued under the provisions of this Section, the Town Council shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, fixing or providing for the fixing of the amount and the details thereof (including the Reserve Account Requirement, if any, therefor), and describing in brief and general terms the Improvements to be undertaken. The Additional Bonds of each Series issued under the provisions of this Section shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such date or dates, in such year or years not later than the final maturity permitted for such Additional Bonds by the laws of the State and the Town's debt policy in effect at the time of issuance of such Additional Bonds, shall bear interest at such rate or rates, fixed or variable, shall have such Optional Tender features and Credit Facilities, shall have such Bond Registrar and Paying Agent, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Resolution), all as may be provided by the Series Resolution for such Additional Bonds. Except as to any differences in the maturities thereof or the rate or rates of interest or the provisions for redemption, such Additional Bonds shall be on a parity as to the pledge of Pledged Funds with and shall be entitled to the same benefits and security under this Resolution as all other Bonds issued under Sections 208, 209 or 210 of this Resolution. Such Additional Bonds shall be executed in the form and manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the Series Resolution therefor, and shall be deposited with the Bond Registrar for authentication and delivery, but before such Additional Bonds shall be delivered by the Bond Registrar, there shall be filed with the Town the following:

- (a) A copy, certified by the Town Clerk, of the ordinance authorizing such Series of Additional Bonds;
- (b) a copy, certified by the Town Clerk, of the Series Resolution for such Series of Additional Bonds;
- (c) a copy, certified by the Town Clerk, of the resolution, if other than the Series Resolution for such Series of Additional Bonds, adopted by the Town Council awarding such Additional Bonds, specifying or providing for the interest rate or rates for such Additional Bonds, or the initial interest rate if such Additional Bonds bear interest at a variable rate and directing the delivery of such Additional Bonds to or upon the order of the purchasers thereof upon payment of the purchase price of such Additional Bonds;
- (d) a certificate of an Accountant or the Rate Consultant demonstrating that the percentage derived by dividing the Net Revenues for any period of twelve consecutive months selected by the Town out of the twenty-four months preceding the delivery of such certificate, by the Maximum Principal and Interest Requirements, including the Principal

and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred ten per centum (110%) (the period during which Net Revenues are determined for purposes of this clause (c) being referred to hereinafter as the "Measurement Period");

(e) an opinion of the Town Attorney that the issuance of such Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled;

(f) an approving opinion of Bond Counsel; and

(g) a certificate of the Finance Director to the effect that no event of default, as defined in Section 802 of this Resolution, and no event which with the passage of time, the giving of notice or both would become an event of default has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing, or, if any such event or event of default has occurred and is continuing, that the issuance of such Series of Additional Bonds will cure the same.

In determining whether to execute and deliver the certificate mentioned in clause (d) of this Section 209, the following adjustments to Net Revenues may be made: if the Town, prior to the issuance of the proposed Additional Bonds, shall have increased the fees or charges for the services of the Stormwater Utility System and such increased fees or charges have become effective prior to the issuance of the proposed Additional Bonds, the Net Revenues for the Measurement Period shall be adjusted to show the Net Revenues which would have been derived from the Stormwater Utility System in such Measurement Period as if such increased fees or charges for the services of the Stormwater Utility System had been in effect during all of such Measurement Period.

When the documents mentioned above in this Section shall have been filed with the Town and when the Additional Bonds described in the resolutions mentioned in clauses (b) and (c) of this Section shall have been executed by the Town and authenticated by the Bond Registrar as required by this Resolution, the Bond Registrar shall deliver such Additional Bonds at one time to or upon the order of the purchasers of such Additional Bonds, but only upon payment to the Town of the purchase price of such Additional Bonds. The Finance Director shall be entitled to rely upon such resolutions as to all matters stated therein.

The proceeds (excluding accrued interest) of such Additional Bonds shall be paid to the Town for deposit with one or more Depositories to the credit of a special account in the Construction Account appropriately designated and for application to the payment of the Cost (as defined in Section 403 of this Resolution) of such Improvements, including the amount, if any, determined by the Town Council to be deposited to the credit of the Reserve Account or such subaccount therein, for such Bonds. All of the provisions of Article IV of this Resolution which relate to the Project and the Construction Fund shall apply to such Improvements and such special account to the extent that such provisions may be applicable; provided, however, that there may be included in the cost of such Improvements interest accruing on such Additional Bonds prior to and during construction of such Improvements if and to the extent provided in the Series Resolution with respect thereto. The amount received as accrued interest upon the original

issuance and delivery of such Bonds shall be deposited to the credit of the Bond Service Subaccount for application to the first interest due on such Bonds.

Section 210. Refunding Bonds. Refunding Bonds may be issued under and secured by this Resolution, subject to the conditions hereinafter provided in this Section, from time to time for the purpose of providing funds for refunding all or any portion of the Outstanding Bonds of any one or more Series by payment at maturity or redemption at a selected redemption date or dates or combination of such payment at maturity and redemption, including the payment of any redemption premium thereon and any interest which will accrue on such Bonds to such maturity dates or selected redemption date or dates or combination of maturity and redemption dates and any expenses incurred or to be incurred in connection with such refunding.

Before any Series of Refunding Bonds shall be issued under the provisions of this Section, the Town Council shall adopt a Series Resolution authorizing the issuance of such Refunding Bonds, fixing or providing for the fixing of the amount and details thereof, describing the Bonds to be refunded and setting forth the determination of the Town Council that such refunding is in the best interests of the Town and its inhabitants. Such Refunding Bonds shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such date or dates, in such year or years not later than the final maturity permitted for such Refunding Bonds by the laws of the State and the Town's debt policy in effect at the time of issuance of such Refunding Bonds, shall bear interest at such rate or rates, fixed or variable, shall have such Optional Tender features, shall have such Bond Registrar and Paying Agent, and any Term Bonds of such Series shall have such Amortization Requirements and may be made redeemable at such times and prices (subject to the provisions of Article III of this Resolution), all as may be provided by the Series Resolution for such Refunding Bonds. Except as to any differences in the maturities thereof or the rate or rates of interest or the provisions for redemption, such Refunding Bonds shall be on a parity as to the pledge of the Pledged Funds with and shall be entitled to the same benefits and security under this Resolution as all other Bonds issued under Sections 208, 209 and 210 of this Resolution. Such Refunding Bonds shall be executed substantially in the form and manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution therefor, and shall be deposited with the Bond Registrar for authentication and delivery, but prior to or simultaneously with the delivery of such Refunding Bonds by the Bond Registrar, there shall be filed with the Town the following:

(a) A copy, certified by the Town Clerk, of the ordinance authorizing the issuance of such Series of Refunding Bonds;

(b) a copy, certified by the Town Clerk, of the Series Resolution with respect to such Refunding Bonds;

(c) a copy, certified by the Town Clerk, of the resolution, if other than the Series Resolution for such Series of Refunding Bonds, adopted by the Town Council, awarding such Refunding Bonds, specifying or providing for the interest rate or rates for such Refunding Bonds, or the initial rate if such Refunding Bonds bear interest at a variable rate, determining the disposition of the moneys on deposit in the Sinking Fund Account and any other funds and accounts on account of the Bonds to be refunded, and directing the delivery

of such Refunding Bonds to or upon the order of the purchasers of such Refunding Bonds upon payment of the purchase price thereof;

(d) (i) an approving opinion of Bond Counsel and (ii) an opinion of Bond Counsel to the effect that upon the issuance of such Refunding Bonds and the application of the proceeds thereof, the Bonds to be refunded will no longer be deemed to be Outstanding under this Resolution and that the issuance of the Refunding Bonds will not adversely affect the exclusion of interest on any Bonds then Outstanding from gross income for federal income tax purposes (except that such opinion shall not be required with respect to any Bonds issued with the intention that the interest thereon be included in gross income for federal income tax purposes of the Holders thereof under the Code);

(e) an opinion of the Town Attorney that the issuance of such Refunding Bonds has been duly authorized and that all conditions precedent to the delivery of such Refunding Bonds have been fulfilled;

(f) such documents as shall be required by the Finance Director to show that provision has been duly made in accordance with the provisions of this Resolution for the payment or redemption or combination of such payment and redemption of all of the Bonds to be refunded; and

(g) a certificate of the Finance Director evidencing compliance with the requirements of Section 209(d) or stating that, assuming the issuance of such Refunding Bonds and the refunding of the Bonds to be refunded, the Principal and Interest Requirements for the Refunding Bonds proposed to be issued in each Fiscal Year through the last Fiscal Year in which Bonds to be refunded would otherwise be Outstanding are not more than one hundred five percent (105%) of the Principal and Interest Requirements which would be due in each such year for the Outstanding Bonds to be refunded if such refunding did not occur.

When the documents mentioned above in this Section shall have been filed with the Town Clerk and when the Refunding Bonds described in the resolutions mentioned in clauses (b) and (c) of this Section shall have been executed by the Town and authenticated by the Bond Registrar as required by this Resolution, the Bond Registrar shall deliver such Refunding Bonds at one time to or upon the order of the purchasers thereof, but only upon payment to the Town of the purchase price of such Refunding Bonds. The Finance Director shall be entitled to rely upon such resolutions as to all matters stated therein.

Simultaneously with the delivery of such Refunding Bonds, the Finance Director shall withdraw, if so provided in the Series Resolution or the resolution mentioned in clause (c) of this Section 210, from the appropriate subaccounts of the Sinking Fund Account an amount equal to the amount on deposit therein on account of the principal of, redemption premium, if any, and the interest on the Bonds to be refunded and from the Reserve Account or any subaccount therein (if Bonds to be refunded are secured by the Reserve Account) an amount equal to the amount on deposit therein on account of the Bonds to be refunded, and apply the amount so withdrawn in accordance with the Series Resolution or the resolution mentioned in clause (c) of this Section 210. The total amount so withdrawn, if so provided in the Series Resolution or the resolution

mentioned in clause (c) of this Section 210, the proceeds of such Refunding Bonds (including accrued interest) and any other moneys provided for such purpose, shall be applied by the Finance Director as follows:

(1) the accrued interest received as part of the proceeds of such Refunding Bonds shall be deposited to the credit of a special subaccount in the Bond Service Subaccount for application to the first interest due on such Refunding Bonds;

(2) an amount which, together with any income which shall be derived from the investment of such amount pursuant to this clause (2) and any other available moneys, shall be sufficient to pay the principal of and redemption premium, if any, and the interest on the Bonds to be refunded hereunder, either at maturity or a selected redemption date or dates or combination of such payment and redemption, shall be deposited by the Finance Director to the credit of a special account, appropriately designated, to be held in trust by an escrow agent, for the sole and exclusive purpose of paying such principal, redemption premium, if any, and interest on the Bonds to be refunded; and moneys held for the credit of such fund shall, as nearly as may be practicable and reasonable, be invested by such escrow agent at the direction of the Finance Director in Government Obligations which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the moneys held for the credit of such fund will be required for the purposes intended;

(3) such amount shall be applied to, or set aside for, the payment of the expenses incident to such refunding as shall be specified in the Series Resolution relating to such Refunding Bonds; and

(4) any balance of such proceeds shall be deposited to the credit of the Revenue Account.

Section 211. Other Indebtedness. In addition to the Bonds authorized pursuant to the provisions of Section 208, 209 and 210, and to the extent permitted by the laws of the State from time to time in effect, the Town may incur other forms of indebtedness related to the Stormwater Utility System, as follows:

(a) The Town may incur Short-Term Indebtedness, payable on a parity as to the pledge of Net Revenues of the Stormwater Utility System with the Bonds, if immediately after incurrence of such Short-Term Indebtedness the outstanding principal amount of all Short-Term Indebtedness does not exceed ten per centum (10%) of the Net Revenues of the Stormwater Utility System as shown in the Annual Budget for the current Fiscal Year.

(b) The Town may incur Subordinated Indebtedness without limit as to amount.

(c) The Town may issue Convertible Bonds, secured on a parity as to the pledge of the Pledged Funds with Bonds issued hereunder, provided that such Convertible Bonds are issued under Section 209 or 210 of this Resolution and such Convertible Bonds comply with the tests for the issuance of Additional Bonds contained in such Sections based upon the form of such Convertible Bonds at the time of their issuance.

(d) The Town may issue Optional Tender Bonds, secured on a parity as to the pledge of the Pledged Funds with Bonds issued hereunder, provided that such Optional Tender Bonds comply with the tests for the issuance of Additional Bonds contained in Section 209 or 210 of this Resolution, and so long as (i) such Bonds are the subject of a remarketing agreement between the Town or the trustee for such holders and an investment banking firm with experience in marketing securities on a national basis and (ii) there is in effect with respect to such Optional Tender Bonds a Credit Facility, then the provisions with respect to Optional Tender Bonds contained in the definition of Principal and Interest Requirements shall apply to such Optional Tender Bonds. In demonstrating compliance with the test for the issuance of Additional Bonds contained in Section 209 hereof, the principal requirements for Optional Tender Bonds shall include the regularly scheduled principal payments, either upon payment at maturity or redemption in satisfaction of the Amortization Requirements for such Bonds and shall not include the payment of the purchase price of such Bonds upon their tender for purchase.

(e) The Town may issue Variable Rate Bonds upon compliance with the tests for the issuance of Bonds contained in Sections 209 or 210 of this Resolution using for the purpose of demonstrating compliance with such tests the interest rate assumption with respect to Variable Rate Bonds contained in the definition of Principal and Interest Requirements.

(f) The Town may issue or incur Alternative Parity Debt (which may include, among other forms of indebtedness, State Revolving Fund Indebtedness) secured on a parity as to the pledge of the Net Revenues of the Stormwater Utility System with the Bonds issued hereunder if, but only if, the following conditions are complied with:

(1) The Town must satisfy the requirements set forth in Section 209 or 210 of this Resolution pertaining to the issuance of additional parity Bonds as though such requirements were expressly applicable to Alternative Parity Debt.

(2) The instrument evidencing such Alternative Parity Debt shall include a cross default provision with this Resolution to the effect that, prior to exercising any remedies upon a default by the Town under such instrument, the holders of such Alternative Parity Debt or their representative shall cooperate with the Holders of Bonds Outstanding under this Resolution or their representative so that the interest of such holders and the Holders of Bonds issued under this Resolution shall be equally and ratably protected.

(3) The Town shall adopt a resolution duly authorizing the issuance or incurrence of such Alternative Parity Debt.

Upon satisfaction of the foregoing conditions, the Finance Director shall certify in writing that the proposed indebtedness satisfies the conditions set forth in this Resolution to be deemed Alternative Parity Debt, and, upon such certification, such indebtedness shall be so deemed. Upon the issuance of Alternative Parity Debt, notwithstanding the provisions

of Section 505 hereof, Net Revenues of the Stormwater Utility System may be applied (on a parity basis with the application of such Net Revenues under Section 505 hereof) as required under the resolution or instrument authorizing the issuance of such Alternative Parity Debt.

The Town shall take such actions (including amending or supplementing this Resolution and any other collateral agreement or document) and execute, deliver, file and record such instruments of security as may be necessary or appropriate to grant or to otherwise secure for the holders of the Alternative Parity Debt a lien on the Net Revenues of the Stormwater Utility System on a parity with that of all other holders of Alternative Parity Debt and Holder of Bonds.

(g) The Town may enter into Credit Facilities to the extent that the Series of Bonds or portion thereof which is supported by such Credit Facilities is incurred in compliance with the provisions of this Article II.

(h) Nothing in this Resolution shall prohibit the Town from entering into Hedge Agreements as provided in Section 212 hereof.

Section 212. Hedge Agreements. The Town may enter into Hedge Agreements from time to time, and, at its option, designate one or more Hedge Agreements (or a portion of the Town's obligations thereunder) as "Related Hedge Agreements" under this Resolution. Notwithstanding anything to the contrary in this Resolution, only the regularly scheduled, periodic payments required to be made by the Town under a Related Hedge Agreement may be secured by the Pledged Funds hereunder on a parity basis with the Bonds, and Alternative Parity Debt. Any termination payment or other one-time charges required to be paid by the Town under a Related Hedge Agreement shall be either unsecured or designated as Subordinated Indebtedness hereunder.

The Hedge Agreement designated as a Related Hedge Agreement shall set forth the details of the Hedge Agreement and the designation thereof as a Related Hedge Agreement, including, among other details, in each case, as applicable: (1) the notional amount and Reference Rate, (2) the Series of Bonds to which such Hedge Agreement relates; (3) the date and terms of payment under such Hedge Agreement; (4) that any non-scheduled payment thereunder (including, without limitation, any termination payment) shall be either unsecured or Subordinated Indebtedness; and (5) any other terms or provisions applicable to such Hedge Agreement not inconsistent with the provisions of this Resolution and the applicable laws of the State. All other payments under a Related Hedge Agreement shall be treated as unsecured obligations unless separately designated as Subordinated Indebtedness hereunder.

The Related Hedge Agreement shall also specify whether a Credit Facility is to be issued in connection with such Hedge Agreement and, if so, the Related Hedge Agreement shall set forth or provide for such additional covenants and agreements required in order to obtain such Credit Facility.

Before a Related Hedge Agreement is designated hereunder, the following items shall be delivered to the Finance Director:

(i) an original executed copy (or certified copy) of the Related Hedge Agreement, and

(ii) the Series Resolution for the Series of Bonds to which the Related Hedge Agreement relates, which shall provide for the establishment of any necessary or convenient accounts or subaccounts under this Resolution or the applicable Series Resolution, provided that such accounts or subaccounts are consistent with the provisions of this Resolution.

Section 213. Temporary Bonds. Until the definitive Bonds of any Series are ready for delivery, there may be executed by the Town and authenticated by the Bond Registrar, and the Town may deliver, in lieu of definitive Bonds and subject to the same limitations and conditions except as to identifying numbers, temporary printed, engraved, lithographed or typewritten Bonds in the denomination of Five Thousand Dollars (\$5,000) or any whole multiple thereof, substantially of the tenor hereinabove set forth, in fully registered form without coupons, and with appropriate omissions, insertions and variations as may be required. The Town shall cause the definitive Bonds to be prepared and to be executed, endorsed and delivered to the Bond Registrar, and the Bond Registrar upon presentation of any temporary Bond shall cancel the same and authenticate and deliver, in exchange therefor, at the place designated by the Holder, without expense to the Holder, a definitive Bond or Bonds of the same Series and in the same aggregate principal amount, maturing on the same date and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects, including the privilege of registration and registration of transfer if so provided, be entitled to the same benefit of this Resolution as the definitive Bonds to be issued and authenticated hereunder, and interest on such temporary Bonds and notation of such payment shall be endorsed thereon.

Section 214. Mutilated, Stolen, Destroyed or Lost Bonds. In case any Bonds secured hereby shall become mutilated or be destroyed, lost or stolen, the Town may cause to be executed, and the Bond Registrar may deliver, a new Bond of like date, number and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed, stolen or lost, upon the Holders paying the reasonable expenses and charges of the Town and the Bond Registrar in connection therewith and, in the case of a Bond destroyed, stolen or lost, the Holders filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond was destroyed, stolen or lost, and of his ownership thereof, and furnishing the Town and the Bond Registrar with indemnity satisfactory to each of them.

Section 215. Provisions with Respect to Book-Entry System. The provisions of this Article contained in Sections 202 to 207, inclusive, may be changed or varied with respect to any Series of Bonds issued under this Article in any Series Resolution applicable to such Series of Bonds for the purposes of (1) complying with the requirements of any automated depository and clearinghouse for securities transactions and (2) effectuating any book-entry only registration and payment system.

Unless the Series Resolution for a Series of Bonds provides otherwise, the Bonds of each Series are to be issued as uncertificated securities pursuant to the book-entry only system maintained by The Depository Trust Company of New York, New York (“DTC”), subject to the terms and provisions of this Section 215. Upon initial issuance of a Series of Bonds, and until

such Bonds are no longer maintained through DTC's book-entry only system, the Registered Owner of all such Bonds shall be, and such Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. The Bonds of each Series shall be initially issued in the form of a separate single typewritten Bond for each maturity of such Series of Bonds, except that if there is more than one interest rate for a maturity, a separate type-written Bond shall be prepared for each interest rate within such maturity.

Prior to the issuance of the Series 2021 Bonds, the Town shall cause to be executed and delivered on its behalf to DTC, an issuer blanket letter of representations, as required by DTC in order to implement a book-entry only system for bonded indebtedness issued by the Town (the "DTC Letter of Representations"). The DTC Letter of Representations shall be authorized and approved pursuant to the Series Resolution for the Series 2021 Bonds.

The provisions of this Section may be changed or varied with respect to any Series of Bonds for the purposes of (1) complying with the requirements of any automated depository and clearinghouse for securities transactions and (2) effectuating any book-entry only registration and payment system. During any and all times that any Series of Bonds is registered in the name of any securities depository pursuant to a book-entry only system of registration, such securities depository shall for all purposes under this Resolution be considered the Registered Owner of such Series of Bonds and all references herein to the Registered Owners or Holders shall mean such securities depository. The Town, the Bond Registrar and the Paying Agent shall not have any obligation with respect to any depository participant or beneficial owner of a Series of Bonds during such time as such Series of Bonds is registered in the name of a securities depository pursuant to a book-entry only system of registration.

With respect to any Series of Bonds registered in the name of Cede & Co., as nominee of DTC, or otherwise held pursuant to a book-entry only system maintained by another depository, the Town, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any DTC participant (or any participant of such other depository) or to any beneficial owner (the "Beneficial Owner") of such Series of Bonds. As to any Series of Bonds maintained through a book-entry only system, without limiting the immediately preceding sentence, the Town, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC participant (or any such other depository) with respect to any beneficial ownership interest in such Series of Bonds, (ii) the delivery to any DTC participant, any Beneficial Owner or any other person, other than DTC (or any such other depository), of any notice with respect to such Series of Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, any Beneficial Owner or any other person, other than DTC (or any such other depository), of any amount with respect to principal of, redemption premium, if any, or interest on such Series of Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Town, the Bond Registrar and the Paying Agent shall be entitled to treat and consider DTC (or any such other depository) as the absolute owner of such Series of Bonds for the purpose of payment of principal of, redemption premium, if any, and interest on such Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Series of Bonds only to or upon the order of DTC (or any such other depository then in effect) and all such payments shall be valid and effective to fully satisfy and discharge the

Town's obligations with respect to payment of principal of, redemption premium, if any, and interest on such Series of Bonds to the extent of the sum or sums so paid. Presentation of a Series of Bonds for payment shall not be required when such Series of Bonds is registered in book-entry-only form. No person other than DTC (or any such other depository then in effect) shall receive Bonds evidencing the obligation of the Town to make payments of amounts due pursuant to this Resolution. Upon delivery by DTC (or any such other depository then in effect) to the Town of written notice to the effect that DTC (or any such other depository then in effect) has determined to substitute a new nominee in place of an existing nominee, and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the Registered Owners at the close of business on the Record Date, the name of the existing nominee in this Resolution shall refer to such new nominee.

The securities depository may determine to discontinue providing its services with respect to a Series of Bonds at any time by giving written notice to the Town and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law.

The Town, in its sole discretion and without the consent of any other person, may terminate the services of a securities depository with respect to a Series of Bonds if the Town determines that the continuation of the system of book-entry-only transfers through such securities depository is not in the best interests of the Beneficial Owners of such Series of Bonds or is burdensome to the Town, and shall terminate the services of such securities depository with respect to a Series of Bonds upon receipt by the Town and the Bond Registrar of written notice from the depository to the effect that it has received written notice from its participants having interest, as shown in the records of the depository, in an aggregate principal amount of not less than fifty percent (50%) of such Series of Bonds that: (i) the depository is unable to discharge its responsibilities with respect to the Series of Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series of Bonds be registered in the registration books kept by the Bond Registrar in the name of the depository's nominee is not in the best interest of the Beneficial Owners of such Series of Bonds.

Upon the termination or discontinuation of the services of the depository with respect to a Series of Bonds pursuant to the immediately preceding paragraph, after which no substitute securities depository willing to undertake the functions of the existing depository hereunder can be found which, in the opinion of the Town, is willing and able to undertake such functions upon reasonable and customary terms, such Series of Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of the depository's nominee. In such event, the Town shall issue and the Bond Registrar shall authenticate bond certificates as requested by the depository of the like principal amount in authorized denominations to the identifiable Beneficial Owners in replacement of such Beneficial Owners' beneficial interest in such Series of Bonds.

Notwithstanding any other provisions of this Resolution to the contrary, so long as a Series of Bonds is registered in the name of the depository's nominee, all payments with respect to the principal of, redemption premium, if any, and interest on such Series of Bonds and all notices with respect to such Series of Bonds shall be made and given, respectively, to such depository as provided in the applicable representation letter (or other similar document required by the depository) of the Town and the Bond Registrar addressed to the depository.

In connection with any notice or other communication to be provided to Holders pursuant to this Resolution by the Town or the Bond Registrar with respect to any consent or other action to be taken by the Holders, the Town or the Bond Registrar, as the case may be, shall establish a record date for such consent or other action and give the securities depository notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

Appropriate officers and officials of the Town are hereby authorized to enter into agreements with DTC and other depository trust companies, including but not limited to agreements necessary for wire transfers of interest and principal payments with respect to any Series of Bonds, utilization of electronic book entry data received from DTC and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Town) by overnight delivery, courier service, telegram, telecopy or other similar means of communication.

Section 216. Capital Appreciation Bonds; Capital Appreciation and Income Bonds. For purposes of determining the principal amount of a Capital Appreciation Bond or a Capital Appreciation and Income Bond for redemption or computation of the amount of Bonds held by the Holder thereof in giving to the Town any notice, covenant, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value and the principal amount of a Capital Appreciation and Income Bond shall be deemed to be its Appreciated Value.

[END OF ARTICLE II]

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption Generally. The Bonds of each Series issued under the provisions of this Resolution shall be subject to redemption, either in whole or in part and at such times and prices, as may be provided by the Series Resolution relating to such Series.

Section 302. Selection of Bonds for Redemption or Purchase. The Town shall, in accordance with the terms and provisions of the Bonds and of this Resolution and the Series Resolution relating to any Bonds to be redeemed, select the Bonds or portions thereof to be purchased or redeemed. The Town shall promptly notify in writing the Bond Registrar of the numbers of the Bonds so selected for redemption and in making such selection, each Bond of each Series of Bonds shall be treated as representing that number of Bonds of the lowest authorized denomination of that Series as is obtained by dividing the principal amount of such Bond by such denomination.

Section 303. Redemption Notice. At least thirty (30), but not more than sixty (60), days before the redemption date, a notice of any such redemption, either in whole or in part, (a) shall be filed with the Bond Registrar and the Paying Agent and (b) shall be mailed, first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for, but failure so to mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall specify the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of a Series are to be redeemed, the numbers or other distinguishing marks of such Bonds to be redeemed in part only and the respective portions thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each of the Bonds to be redeemed the redemption price or the specified portions thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable on such Bonds or portions thereof so redeemed.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear a description of the issue and maturity of the Bonds being redeemed with the proceeds of such check or other transfer.

If at the time of providing notice of an optional redemption, the Town shall not have deposited with a Depositary acting as escrow agent (the "escrow agent") or the Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption, such notice shall state that it is a conditional notice of redemption subject to the deposit of the redemption moneys with the Depositary or Paying Agent, as the case may be, not later than the redemption date and, subject to the immediately succeeding paragraph, such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Depositary or the Paying Agent, as applicable, for such redemption, or otherwise available, is insufficient to pay the redemption price and accrued interest on the Bonds so called for redemption on the redemption date, the Paying Agent shall

redeem and pay on such date an amount of such Bonds called for redemption for which such funds are sufficient, selecting the Bonds to be redeemed by lot (unless otherwise provided by the Series Resolution relating to such Series of Bonds) from among all such Bonds called for redemption on such date, and among different maturities of Bonds in the same manner as the initial selection of Bonds to be redeemed, and from and after such redemption date, interest on the Series or portions thereof so paid shall cease to accrue and become payable; but interest on any Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Bonds not been called for redemption.

In the case of an optional redemption, any notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent or the escrow agent no later than the redemption date or (2) the Town retains the right to rescind such notice on or prior to the scheduled redemption date upon the occurrence or non-occurrence of a particular event as described therein (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned “Conditional Notice of Redemption.” Any Conditional Redemption may be rescinded at any time on or prior to the redemption date if the Finance Director delivers a written direction to the Bond Registrar directing the Bond Registrar to rescind the redemption notice. The Bond Registrar shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Town to make such funds available shall constitute an Event of Default under this Resolution. The Bond Registrar shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

The provisions concerning the manner of giving notice of redemption may be changed or varied or supplemented in the Series Resolution applicable to any Series of Bonds issued under this Resolution for the purpose of complying with any governmental or industry standards from time to time in effect.

Section 304. Partial Redemption of Bonds. In the event that only part of the principal sum of any Bond shall be called for redemption or prepaid, payment of the amount to be redeemed or prepaid shall be made only upon surrender of such Bond to the Bond Registrar. Upon surrender of such Bond, the Bond Registrar shall execute and deliver to the registered owner thereof at the designated office of the Bond Registrar, new duly executed Bonds, of authorized principal sums equal in aggregate principal amount to, and of the same maturity and interest rate as, the unredeemed portion of the Bond surrendered.

Section 305. Effect of Calling for Redemption. On the date so designated for redemption, notice having been mailed and filed in the manner and under the conditions hereinabove provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and, moneys for payment of the redemption price being held in separate accounts by the Bond Registrar, the Paying Agent or by the escrow agent in trust for the Holders of the Bonds to be redeemed, all as provided in this Resolution, interest on the Bonds so called for redemption shall cease to accrue, such Bonds

shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders or registered owners of such Bonds shall have no rights in respect thereof except to receive (1) payment of the redemption price thereof and accrued interest thereon and (2) to the extent provided in this Resolution, new Bonds for any unredeemed portion of such Bonds.

Section 306. Cancellation of Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be delivered to the Bond Registrar when such payment, redemption or purchase is made and such Bonds shall, except as provided by Section 304 hereof, thereupon be cancelled. The Bond Registrar shall certify to the Town the details of all Bonds so cancelled. All Bonds cancelled under any of the provisions of this Resolution either shall be delivered to the Town or destroyed by the Bond Registrar, as the Town directs. Upon destruction of any Bonds, the Bond Registrar shall execute a certificate in duplicate, describing the Bonds so destroyed, and one executed certificate shall be filed with the Town and the other executed certificate shall be retained by the Bond Registrar.

Section 307. Bonds Called for Redemption Deemed Not Outstanding. If (a) (1) Bonds shall have been duly called for redemption under the provisions of this Article or (2) irrevocable instructions have been given by the Town to the Bond Registrar, the Paying Agent or to the escrow agent to (i) call Bonds for redemption under the provisions of this Article, (ii) pay Bonds at their maturity or maturities or (iii) both call Bonds for redemption under the provisions of this Article and pay Bonds at their maturity or maturities in any combination (the Bonds described in clauses (a)(1) and (a)(2) are herein collectively called the “Bonds to be Paid”), and (b) cash or Sufficient Government Obligations (hereinafter defined) are held in separate accounts by the Bond Registrar, the Paying Agent or escrow agent solely for the holders of the Bonds to be Paid, then the Bonds to be Paid shall not be deemed to be Outstanding under the provisions of this Resolution and shall cease to be entitled to any benefit or security under this Resolution other than to receive (1) payment of principal, redemption premium, if any, and interest from such moneys and (2) to the extent provided in this Resolution, new Bonds for any unredeemed portion of such Bonds.

For purposes of this Section 307, “Sufficient Government Obligations” shall mean Government Obligations which are in such principal amounts, bear interest at such rate or rates and mature (without the option of prior redemption) on such date or dates so that the proceeds to be received upon payment of such Government Obligations at their maturity and the interest to be received thereon will provide sufficient amounts in cash on the dates required to pay the principal of and redemption premium, if any, and the interest on the Bonds to be Paid to the dates of their maturity or redemption.

[END OF ARTICLE III]

ARTICLE IV

CONSTRUCTION ACCOUNT

Section 401. Construction Account. A special account to be maintained by a Depository is hereby created and designated “Stormwater Utility System Construction Account” (herein sometimes called the “Construction Account”). A special subaccount within the Construction Account is hereby created and designated “Series 2021 Stormwater Utility System Project Construction Subaccount” in which shall be deposited the amounts specified in the Series Resolution with respect to the Series 2021 Bonds issued pursuant to Section 208 of this Resolution, and a second special subaccount within the Construction Account is hereby created and designated “Series 2021 Cost of Issuance Subaccount” in which shall be deposited the amounts as provided in Section 208(2) hereof to pay expenses relating to the issuance of the Series 2021 Bonds.

The moneys in the Construction Account shall be held in trust and applied to the payment of the Costs of the Project for which the Series of Bonds were issued and pending such application, shall be subject to a lien and charge in favor of the Holders of the Series of Bonds the proceeds of which were deposited to the credit of the Construction Account and for the further security of such Holders until paid out as herein provided.

For each Series of Additional Bonds issued pursuant to Section 209 of this Resolution for the purpose of payment of the Cost of a Project, the Town shall create one or more separate special subaccounts within the Construction Account, entitled “Series _____ Stormwater Utility System Project Construction Subaccount” to which shall be deposited the amounts provided from such Series of Additional Bonds for construction of the Improvements constituting the Project and a second special subaccount within the Construction Account, entitled “Series _____ Cost of Issuance Subaccount” to which shall be deposited amounts to pay the expenses relating to the issuance of such Series of Additional Bonds.

Section 402. Payments from Construction Account. Payment of the Cost of a Project and any Improvements shall be made from the special subaccounts within the Construction Account established in connection with such Series of Bonds as provided herein and in the corresponding Series Resolution. All such payments shall be subject to the provisions and restrictions set forth in this Article and the Town covenants that it will not cause or permit to be paid from the Construction Account any sums except in accordance with such provisions and restrictions. Moneys in the Construction Account shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Town having such duties under Town rules and regulations or designated by resolution of the Town Council from time to time, for such purpose or if the Town shall so elect, by wire transfer. Amounts deposited in the Construction Account or a subaccount thereof for the payment of capitalized interest on a Series of Bonds shall be withdrawn therefrom and deposited in the corresponding Bond Service Subaccount no later than the second Business Day immediately preceding the Interest Payment Date on which such capitalized interest is to be paid.

Section 403. Cost of Project and Improvements. For the purposes of this Article, the Cost of a Project and any Improvements to be constructed or acquired shall include, without

intending thereby to limit or to restrict or to extend any proper definition of such Cost under the provisions of this Resolution, the following:

(a) obligations incurred for labor and materials and to contractors, builders and materialmen in connection with the construction of enlargements, improvements and extensions, for machinery and equipment, for demolition and removal of debris and other materials and for the restoration of property damaged or destroyed in connection with such construction;

(b) interest accruing upon any Bonds or upon any other Stormwater Utility System Debt of the Town incurred to finance the Project or Improvements prior to the commencement of and during construction or for any additional period as may be authorized by law if so provided, and subject to any limitation, in the Series Resolution providing for the issuance of such Bonds;

(c) the cost of acquiring any privately owned stormwater management system now serving any portion of the Town and territory adjacent thereto, or any part of such system, either within or without or partly within or partly without the corporate limits of the Town;

(d) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any award or final judgment in any proceeding to acquire by condemnation, such land, property rights, right-of-way, franchises, easements, and other interests in lands as may be deemed necessary or convenient in connection with such construction or with the operation of the Stormwater Utility System, and the amount of any damages incident thereto;

(e) expenses of administration properly chargeable to such construction or acquisition, legal, architectural and engineering expenses and fees, costs of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, taxes or other governmental charges lawfully assessed during construction, premiums on insurance in connection with construction, deposits to the Reserve Account, premiums for bond insurance, interest rate insurance or insurance assuring availability of the amounts required to be on deposit in the Reserve Account, initial set up fees and annual fees for letters of credit, lines of credit, standby bond purchase agreements or other similar credit enhancement or liquidity enhancement devices and tender agent fees and fees payable for remarketing Bonds during the period of construction of the Project or any Improvements for which Bonds supported by such devices were issued and all other items of expense not elsewhere in this Section specified, incident to the financing, construction or acquisition of the Project and any Improvements and the placing of the same in operation; and

(f) any obligation or expense heretofore or hereafter incurred by the Town for any of the foregoing purposes, including the cost of materials, supplies or equipment furnished by the Town in connection with the construction of the Project and any Improvements and paid for by the Town out of funds other than moneys in the Construction Account.

Section 404. Title to Properties Acquired. The Town further covenants that each Project and the Improvements constituting the same will be constructed on or under land which is owned or can be acquired by the Town in fee simple or over or under which the Town shall acquire or can acquire either by long term lease or by easements for the purposes of the Stormwater Utility System, free from all liens, encumbrances and defects of title which would effectively prohibit the Town from utilizing such lands or properties for the purposes intended or which have been adequately guarded against by a bond or other form of indemnity, or lands, including public streets and highways, the right to use and occupy which for such purposes shall be vested in the Town by law or by valid rights of way, easements, franchises, licenses or agreements.

Section 405. Disposition of Construction Account Balance. When the construction of a Project for which a Series of Bonds were issued shall have been completed (which fact shall be evidenced to the Finance Director by a certificate stating the date of such completion, approved by the Town Engineer), the balance in the special account or subaccounts of the Construction Account not reserved by the Town for the payment of any remaining part of the Cost of the Project or expenses related to the issuance of such Bonds shall be transferred by the Finance Director, in the discretion of the Town, to the credit of the Renewal, Replacement and Improvement Account or to the credit of the Sinking Fund Account for the payment of principal of the Bonds of such Series or retained in the Construction Account and used to pay the Cost of other Improvement or Improvements which have been approved by the Town Council or applied to redeem Bonds in a manner permitted under this Resolution and the applicable Series Resolution. Before undertaking any such transfer, the Finance Director shall procure an opinion of Bond Counsel to the effect that the proposed transfer will not adversely affect the exclusion of interest on any Bonds from gross income for federal income tax purposes (except that such opinion shall not be required with respect to any Bonds issued with the intention that the interest thereon be included in gross income for federal income tax purposes of the Holders thereof under the Code).

[END OF ARTICLE IV]

ARTICLE V

REVENUES AND FUNDS

Section 501. Stormwater Utility System Fees and Charges. The Town covenants that the schedules of fees and charges for stormwater management service by the Stormwater Utility System will not be less than the rates required to enable the Town to comply with the requirements of Section 502 hereof. So long as the Town is in compliance with the requirements of Section 502 hereof, the Town from time to time may revise the fees and charges for stormwater management service by the Stormwater Utility System.

Section 502. Rate Covenant. The Town further covenants that it will fix, charge and collect reasonable fees and charges for the services by the Stormwater Utility System and that from time to time, and as often as it shall appear necessary, it will adjust such fees and charges by increasing or decreasing the same or any selected categories of fees and charges so that the Net Revenues received in each Fiscal Year (excluding from the computation of Current Expenses for any Fiscal Year any amount received from any source other than Revenues and applied to the payment of Current Expenses in such Fiscal Year) will be sufficient to provide an amount in such Fiscal Year at least equal to one hundred ten per centum (110%) of the Principal and Interest Requirements for such Fiscal Year on account of the Bonds and Alternative Parity Debt then Outstanding and one hundred per centum (100%) of all amounts required to be deposited to the Accounts pursuant to clauses (c), (d) and (e) of Section 505 of this Resolution for such Fiscal Year.

If in any Fiscal Year the Net Revenues shall be less than the amount required under the preceding paragraph of this Section, within thirty (30) days after the December 31 immediately succeeding such Fiscal Year, the Town shall employ a Rate Consultant to review and analyze the financial status of the Stormwater Utility System, to inspect the Stormwater Utility System and to submit, within sixty (60) days thereafter, a written report to the Town recommending revisions of the fees and charges of the Stormwater Utility System and the methods of operation of the Stormwater Utility System that will result in producing the amount of Net Revenues so required in the following Fiscal Year. Promptly upon its receipt of such recommendations, the Town shall transmit copies thereof to the Town Manager and the Finance Director and shall revise its fees and charges, or alter its methods of operation and take such other action as shall conform with such recommendations.

If the Town shall fail to comply with the recommendations of the Rate Consultant, the registered owners of not less than ten per centum (10%) in principal amount of all Bonds then Outstanding may institute and prosecute an action or proceeding in any court or before any board or commission having jurisdiction to compel the Town to comply with the recommendations and the requirements of the preceding paragraph of this Section. So long as the issuer of a Credit Facility shall not be in default in its payment obligations under such Credit Facility, such issuer shall be deemed to be the holder of all Bonds so insured for purposes of this paragraph.

If the Town shall comply with all recommendations of the Rate Consultant in respect to its fees, charges and methods of operation, the failure of Net Revenues to meet the requirements in the first paragraph of this Section shall not constitute an Event of Default, so long as the Revenues, together with available moneys in the Funds and Accounts created in Article V of this Resolution,

are sufficient to pay in cash the Current Expenses and to pay the Principal and Interest Requirements on all Outstanding Bonds and other Stormwater Utility System Debt for such Fiscal Year.

Section 503. Annual Budget. The Town covenants that not later than forty-five (45) days before the end of each Fiscal Year it will prepare a preliminary budget covering Revenues, Current Expenses, Capital Expenditures and all deposits to funds and accounts required by Section 505 of this Resolution for the ensuing Fiscal Year. Copies of each such preliminary budget shall be filed with the Finance Director.

The Town further covenants that on or before the first day of each Fiscal Year it will finally adopt the budget covering the above items for such Fiscal Year (herein sometimes called the "Annual Budget"). Copies of the Annual Budget shall be filed with the Finance Director and shall be available for inspection by the Bondholders.

If for any reason the Town shall not have adopted the Annual Budget before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year shall, until the adoption of the Annual Budget, be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article.

The Town may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year and the Annual Budget so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. There shall be no limitation on the nature or amount covered by any such amendment to the Annual Budget.

The Town further covenants that the amount expended for Current Expenses in any Fiscal Year will not exceed the reasonable and necessary amount therefor, and that it will not expend any amount for maintenance, repair and operation of the Stormwater Utility System in excess of the total amount provided for Current Expenses in the Annual Budget. Nothing in this Section contained shall limit the amount which the Town may expend for Current Expenses in any Fiscal Year provided any amounts expended therefor in excess of the total amount provided in the Annual Budget shall be received by the Town from some source other than the Revenues of the Stormwater Utility System.

Section 504. Enterprise Fund; Revenue Account. A special fund is hereby created and designated the "Stormwater Utility System Enterprise Fund" (herein called the "Enterprise Fund"). A special account is hereby created within the Enterprise Fund and designated "Stormwater Utility System Revenue Account" (herein called the "Revenue Account"). A subaccount is hereby created within the Revenue Account and designated "Stormwater Utility System Hedge Receipts Subaccount" (herein called the "Hedge Receipts Subaccount"). Except as provided in Article VI of this Resolution with respect to investment income on certain Funds and Accounts, the Town covenants that all Revenues will be collected by the Town and deposited as received with a Depository or Depositories to the credit of the Revenue Account. All Hedge Receipts paid to and received by the Town shall be deposited into the Hedge Receipts Subaccount of the Revenue Account. All moneys in the Enterprise Fund and the accounts and subaccounts therein shall be held by the Town in trust and applied as provided in this Article.

Section 505. Sinking Fund Account and Other Accounts. A special account is hereby created within the Enterprise Fund and designated “Stormwater Utility System Revenue Bonds Sinking Fund Account” (the “Sinking Fund Account”). There are hereby created in the Sinking Fund Account two separate subaccounts designated as the “Bond Service Subaccount” and the “Redemption Subaccount.” Four additional special accounts are hereby created within the Enterprise Fund and designated “Stormwater Utility System Revenue Bonds Reserve Account” (the “Reserve Account”), “Stormwater Utility System Renewal, Replacement and Improvement Account” (the “Renewal, Replacement and Improvement Account”), “Stormwater Utility System Subordinated Indebtedness Account” (the “Subordinated Indebtedness Account”), and “Stormwater Utility System General Reserve Account” (the “General Reserve Account”).

If required by the terms of any Series of Additional Bonds issued pursuant to Section 209 of this Resolution or any series of Refunding Bonds issued pursuant to Section 210 of this Resolution, the Town hereby covenants to establish and maintain, pursuant to the Series Resolution for such Additional Bonds and Refunding Bonds, a separate Sinking Fund Account to provide for the payment of the principal of, redemption premium, if any, and interest on such Series of Bonds or to provide within the Sinking Fund Account and the subaccounts therein separate subaccounts as required by the terms of such Bonds. To the extent required in the applicable Series Resolution, the Town hereby covenants to establish and maintain, pursuant to the Series Resolution for each Series of Additional Bonds, a separate subaccount in the Reserve Account to be maintained solely for the benefit of the Holders of such Series of Bonds; otherwise, all Bonds Outstanding shall be secured by amounts on deposit to the credit of the Reserve Account (except for amounts to the credit of any subaccount established solely for the benefit of a particular Series of Bonds) or unless the Series Resolution for a particular Series of Bonds expressly provides that such Series of Bonds is not to be secured by the Reserve Account or any subaccount therein. If any separate Sinking Fund Accounts or separate subaccounts within the Sinking Fund Account or the subaccounts therein or if any separate reserve accounts are created pursuant to this paragraph, such Sinking Fund Accounts, separate subaccounts or separate reserve accounts shall be funded in the manner and at the times required by the corresponding Series Resolution and shall be held by the Finance Director separate and apart from the Sinking Fund Accounts or the Reserve Account or other separate reserve accounts with respect to any other Series of Bonds issued under this Resolution, and shall be held solely for the benefit and security of the Series of Bonds with respect to which such separate Sinking Fund Account, separate subaccounts or separate reserve accounts were created. Each such separate Sinking Fund Account or separate subaccounts with respect to a Series shall be designated “Series _____ Sinking Fund Account” or “Series _____ Subaccount,” as the case may be, and each such separate reserve account shall be designated “Series _____ Reserve Account” (inserting an identifying Series year, and if more than one Series is to be issued in a single calendar year, an identifying Series letter).

The moneys in each of said Funds and Accounts shall be held in trust and applied as hereinafter provided with regard to each such Fund and Account and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Resolution, as provided in this Resolution, and for the further security of such Holders until paid out or transferred as herein provided.

The Town shall, on or before the 20th day of the month next succeeding the month in which Bonds are issued under the provisions of Section 208 of this Resolution and not later than the

20th day of each month thereafter while any Bonds are Outstanding, withdraw the balance remaining in the Revenue Account, less an amount to be held for the payment of Current Expenses for the current month (to be determined by reference to the amount of Current Expenses reflected in the Annual Budget for such month, or if there is not a monthly breakdown of Current Expenses in the Annual Budget, then by assuming that the Current Expenses for such month equals one-twelfth (1/12th) of the amount of Current Expenses contained in the Annual Budget) and deposit the sum so withdrawn to the credit of the following accounts or subaccounts, in the following order:

(a) Subject to the last two sentences of this paragraph (a) dealing with transfers from the Hedge Receipts Subaccount, to the credit of the Bond Service Subaccount of the Sinking Fund Account, an amount equal to one-sixth (1/6) of the amount of interest payable on the Bonds of each Series on the next succeeding Interest Payment Date and an amount equal to one-twelfth (1/12) or, if principal is payable semiannually, one-sixth (1/6) of the next maturing installment of principal on all Serial Bonds then Outstanding; provided, however, that in each month intervening between the date of delivery of Bonds pursuant to Sections 208, 209 or 210 of this Resolution (beginning with the month following the month in which such delivery takes place) and the next succeeding Interest Payment Date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Subaccount required to be made during such respective periods as provided above will equal the amounts required (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively. In addition, amounts on deposit in the Hedge Receipts Subaccount of the Revenue Account shall be transferred to the Bond Service Subaccount of the Sinking Fund Account for the payment of interest on Bonds with respect to which a Related Hedge Agreement is in place, at the times and in the manner provided in the Series Resolution for such Bonds and in the Related Hedge Agreement. Any amounts so transferred from the Hedge Receipts Subaccount to the Bond Service Subaccount shall be taken into account and, to such extent of the amount so transferred, reduce the amounts required to be transferred from the Revenue Account to the Bond Service Subaccount pursuant to the first sentence of this paragraph (a).

(b) To the credit of the Redemption Subaccount of the Sinking Fund Account, an amount equal to one-twelfth (1/12) or, if any Bonds are required to be retired semi-annually in satisfaction of the Amortization Requirements therefor, one sixth (1/6) of the principal amount of Term Bonds of each Series then Outstanding required to be retired, in satisfaction of the Amortization Requirements, if any, for such Fiscal Year.

(c) To the credit of the Reserve Account, such amount, if any, of any balance remaining after making the deposits under clauses (a) and (b) above (or the entire balance if less than the required amount) as may be required to make the amount deposited to the credit of the Reserve Account in such month equal to the Reserve Account Deposit Requirement for such month.

(d) To the credit of the Renewal, Replacement and Improvement Account, after making the deposits under clauses (a), (b) and (c) above, an amount equal to the Renewal, Replacement and Improvement Account Monthly Deposit Requirement (or the entire balance remaining in the Revenue Account after making the deposits under clauses (a), (b) and (c) above if less than the Renewal, Replacement and Improvement Account Monthly Deposit Requirement) until the amount to the credit of the Renewal, Replacement and Improvement Account is equal to the Renewal, Replacement and Improvement Account Requirement for such Fiscal Year.

(e) To the credit of the Subordinated Indebtedness Account, an amount, if any, of any balance remaining after making the deposits under clauses (a), (b), (c) and (d) above (or the entire balance if less than the required amount) equal to the sum of one-twelfth (1/12) of the principal of, redemption premium, if any, and interest coming due on any Subordinated Indebtedness in such Fiscal Year and the amount, if any, required to be deposited in any special reserve subaccount established within the Subordinated Indebtedness Account as provided in Section 511 hereof.

(f) To the credit of the General Reserve Account, the balance, if any, remaining after making the deposits under clauses (a), (b), (c), (d) and (e).

If the amount deposited in any month to the credit of any of the accounts or subaccounts shall be less than the amount required to be deposited under the foregoing provisions of this Section 505, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each month thereafter until such time as all such deficiencies have been made up.

Notwithstanding the foregoing prescribed application of amounts in the Revenue Account, the Town may by Series Resolution provide for the payment from Net Revenues of (i) the principal of, redemption premium, if any, and interest on Alternative Parity Debt permitted under Section 211(f) hereof and for the funding of any reserve accounts established for such Alternative Parity Debt and (ii) the regularly scheduled, periodic payments required to be made under Related Hedge Agreements (but not any termination or other one-time payment or charge), on a parity with the payment of the principal of, redemption premium, if any, and interest on Bonds issued under this Resolution and the funding of the Reserve Account (and any subaccount therein), respectively, as set forth above.

Section 506. Payment of Current Expenses. The Current Expenses shall be paid from the Revenue Account as the same become due and payable. Payments from the Revenue Account shall be made in accordance with procedures established by the Town from time to time, the Annual Budget and the covenants in Section 503 of this Article.

Section 507. Application of Moneys in Bond Service Subaccount. (a) The Town shall on the business day immediately preceding each Interest Payment Date withdraw from the Bond Service Subaccount and deposit in trust with the Paying Agent to enable the Paying Agent to remit by mail to each registered owner of Bonds the amount required for paying the interest on such Bonds as such interest becomes due and payable. The Paying Agent shall be permitted to transfer by wire to owners of at least \$1,000,000 principal amount of the Bonds the amounts required for

paying the interest on such Bonds as such interest becomes due and payable, as more specifically set forth in the corresponding Series Resolution. The Town shall on the business day immediately preceding a date on which principal is due on Serial Bonds withdraw from the Bond Service Subaccount and deposit in trust with the Paying Agent the amounts required for paying the principal of all Serial Bonds as such principal becomes due and payable. The Town, in its discretion, may make the deposits required in this Section with the Paying Agent by wire transfer.

(b) If a Related Hedge Agreement provides for any payments thereunder by the Town relating to interest on a particular Series of Bonds, then, at such time or times as provided in the Related Hedge Agreement, the Paying Agent shall remit, to or for the account of the Hedge Counterparty or other appropriate Person designated in the Related Hedge Agreement, from amounts available in the Bond Service Subaccount the net amount required by such Related Hedge Agreement (but not any termination or other non-scheduled payments) to be paid thereunder by the Town relating to interest on Bonds related to such Related Hedge Agreement, provided that if there shall not be sufficient moneys to satisfy all such deposits and payments, such deposits and payments shall be made ratably according to the amount so required to be deposited or paid.

Section 508. Application of Moneys in Redemption Subaccount. Moneys held for the credit of the Redemption Subaccount shall be applied to the retirement of the Bonds issued under the provisions of this Resolution, as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Town shall endeavor to purchase any Bonds secured hereby and then Outstanding, whether or not such Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence. The Town shall pay the interest accrued on such Bonds to the date of settlement therefor from the Bond Service Subaccount and the purchase price from the Redemption Subaccount, but no such purchase shall be made by the Town within the period of forty-five (45) days next preceding any Interest Payment Date on which such Bonds are subject to call for redemption under the provisions of this Resolution, except from moneys other than moneys set aside or deposited for the redemption of Bonds.

(b) Subject to the provisions of Article III of this Resolution and paragraph (c) of this Section, the Town may call for redemption on each Interest Payment Date on which Bonds are subject to redemption such amount of such Bonds as, with the redemption premium, if any, will exhaust the moneys which will be held for the credit of the Redemption Subaccount on said Interest Payment Date as nearly as may be; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of Bonds shall be called for redemption at any one time unless a lesser amount shall be required to satisfy the Amortization Requirement for any Fiscal Year. Such redemption shall be made pursuant to the provisions of Article III of this Resolution and the corresponding Series Resolution. The Town shall during the period of five (5) business days prior to the Redemption Date withdraw from the Bond Service Subaccount and the Redemption Subaccount and set aside in separate accounts or deposit with the Paying Agent the respective amounts required for paying the principal of, redemption premium, if any, and interest on the Bonds so called for redemption.

(c) Moneys held in the Redemption Subaccount shall be applied by the Town each Fiscal Year to the retirement of Bonds of each Series then Outstanding in the following order:

First: the Term Bonds of each such Series to the extent of the Amortization Requirements, if any, for such Fiscal Year for such Term Bonds, plus the applicable redemption premium, if any, and any deficiency in any preceding Fiscal Years in the purchase or redemption of such Term Bonds under the provisions of this subdivision and, if the amount available in such Fiscal Year shall not be sufficient therefor, then in proportion to the Amortization Requirements, if any, for such Fiscal Year for the Term Bonds of each such Series then Outstanding, plus the applicable redemption premium, if any, and any such deficiency;

Second: Term Bonds of each Series, if any, in proportion (as nearly as practicable) to the aggregate principal amount of the Bonds of each such Series originally issued; and

Third: after the retirement of all Term Bonds, if any, Serial Bonds issued under the provisions of this Resolution in such order as the Town shall select and, to the extent that Serial Bonds of different Series mature on the same date, in proportion (as nearly as practicable) to the principal amount of Bonds of each Series maturing on such date.

Upon the retirement of any Bonds by purchase or redemption there shall be filed with the Finance Director a statement briefly describing such Bonds and setting forth the date of their purchase or redemption, the amount of the purchase price or the redemption price of such Bonds and the amount paid as interest thereon. The expenses in connection with the purchase or redemption of any Bonds shall be paid by the Town from the General Reserve Account.

Section 509. Application of Moneys in Reserve Account. The Reserve Account shall be held for the benefit of all Bonds Outstanding except that: (i) the Series Resolution for a particular Series of Bonds may provide that such Series of Bonds is not to be secured by the Reserve Account and, in such event, such Series of Bonds shall not be secured by the Reserve Account and the moneys held for the credit of the Reserve Account shall not be applied for the benefit of such Series of Bonds, and (ii) the Series Resolution for one or more particular Series of Bonds may establish a separate subaccount within the Reserve Account for such particular Series of Bonds and, in such event, such Series of Bonds shall be secured only by the moneys held for the credit of such subaccount and by no other amounts held for the credit of the Reserve Account, and the Bonds Outstanding of any other Series shall have no claim whatsoever on the moneys held for the credit of such separate subaccount in the Reserve Account. Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds which are secured by the Reserve Account whenever and to the extent that the moneys held for the credit of the Bond Service Subaccount shall be insufficient for such purpose and thereafter for the purpose of making deposits to the credit of the Redemption Subaccount in respect of such Bonds pursuant to the requirements of clause (b) of Section 505 of this Resolution whenever and to the extent that withdrawals from the Revenue Account are insufficient for such purposes; provided, however, that moneys held for the credit of a separate subaccount in the

Reserve Account shall be applied to the foregoing purposes and in the foregoing manner, but only for the benefit of the Series of Bonds for which such separate subaccount was established. If at any time the moneys held for the credit of the Reserve Account shall exceed the Reserve Account Requirement, such excess shall be withdrawn and deposited to the credit of the Revenue Account; provided, however, the Town Council, pursuant to the Series Resolution or a separate resolution awarding any Series of Bonds hereunder to the original purchasers thereof, may provide for a different disposition of any such excesses which relate to such Series of Bonds.

Notwithstanding the foregoing, in lieu of the required deposit into the Reserve Account (or any subaccount therein), the Town may, with the consent of any applicable issuer of a Credit Facility or Liquidity Facility then in effect, cause to be deposited into such Reserve Account (or the applicable subaccount therein) a Reserve Account Insurance Policy or Reserve Account Letter of Credit for the benefit of the Holders of the Bonds either in substitution for the full amount then on deposit therein, or in an amount equal to the difference between the amount required to be deposited in such Reserve Account (or the applicable subaccount therein) and the sum, if any, then on deposit in such Reserve Account (or the applicable subaccount therein), which Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be payable (upon the giving of notice as required thereunder) on any Interest Payment Date on which a deficiency exists for the Bonds or the Series of Bonds for which such Reserve Account Insurance Policy or Reserve Account Letter of Credit was issued, which cannot be cured by moneys in any other Fund, Account or Subaccount held pursuant to this Resolution and available for such purpose. If any such Reserve Account Insurance Policy or Reserve Account Letter of Credit is substituted for moneys on deposit in the Reserve Account (or the applicable subaccount therein), the excess moneys in the Reserve Account (or the applicable subaccount therein) shall be applied to satisfy any such deficiency in any of the funds, accounts or subaccounts under this Resolution, and any remaining balance shall be deemed surplus, shall be released from the lien of this Resolution and may be used by the Town for any lawful purpose. If a disbursement is made from a Reserve Account Insurance Policy or Reserve Account Letter of Credit, the Town shall be obligated to either reinstate the maximum limits of such Reserve Account Insurance Policy or Reserve Account Letter of Credit immediately following such disbursement or to deposit into the Reserve Account (or the applicable subaccount therein), as provided in Section 505(c), funds in the amount of the disbursement made under such Reserve Account Insurance Policy or Reserve Account Letter of Credit.

In the event that all or a portion of the Reserve Account Requirement for any Series shall be provided by a Reserve Account Insurance Policy or Reserve Account Letter of Credit, the Town shall do all things necessary to receive in a timely fashion from the provider of such Reserve Account Insurance Policy or Reserve Account Letter of Credit amounts required to be expended pursuant to this Section.

Section 510. Application of Moneys in Renewal, Replacement and Improvement Account. Except as hereinafter provided in this Section, or except in case of an emergency caused by some extraordinary occurrence, so characterized in a certificate signed by the Finance Director, and an insufficiency of moneys held for the credit of the Revenue Account to meet such emergency, moneys held for the credit of the Renewal, Replacement and Improvement Account shall be disbursed, subject to the provisions of the third paragraph of this Section 510, only for the purpose of paying the costs of unusual or extraordinary maintenance or repairs, the cost of renewals and replacements, the cost of acquiring, installing or replacing equipment, the cost of

Improvements and engineering expenses related to the foregoing and the cost of providing a local share of moneys required to entitle the Town to receive federal or State grants or to participate in federal or State assistance programs related to the Stormwater Utility System.

Payments from the Renewal, Replacement and Improvement Account, except the withdrawal which the Town is authorized to make as hereinafter provided in this Section, shall be made in accordance with the provisions of Section 402 of this Resolution for payments from the Construction Account to the extent that such provisions may be applicable.

If at any time the moneys held for the credit of the Bond Service Subaccount and the Reserve Account shall be insufficient for the purpose of paying the interest on and the principal of the Bonds as such interest and principal become due and payable, then the Town shall withdraw from any moneys held for the credit of the Renewal, Replacement and Improvement Account and deposit to the credit of the Bond Service Subaccount an amount sufficient to make up any such deficiency. If at any time the moneys held for the credit of the Redemption Subaccount and the Reserve Account shall be insufficient for making the deposits to the credit of the Redemption Subaccount required by clause (b) of Section 505 hereof, then the Town shall withdraw from any moneys held for the credit of the Renewal, Replacement and Improvement Account and deposit to the credit of the Redemption Subaccount an amount sufficient to make up any such deficiency; provided, however, that no such transfer shall be made to the Redemption Subaccount unless the moneys then held for the credit of the Bond Service Subaccount are at least equal to the maximum requirement therefor under clause (a) of said Section 505. Any moneys so withdrawn from the Renewal, Replacement and Improvement Account and deposited to the credit of the Bond Service Subaccount or the Redemption Subaccount shall be restored from available moneys in the Revenue Account, subject to the same conditions as are prescribed for deposits to the credit of the Renewal, Replacement and Improvement Account under the provisions of Section 505 of this Article.

Section 511. Application of Moneys in Subordinated Indebtedness Account. The Town shall on the business day immediately preceding the date on which any payment in respect of principal of, redemption premium, if any, or interest on any Subordinated Indebtedness shall become due withdraw from the Subordinated Indebtedness Account and deposit in trust with the paying agent for such Subordinated Indebtedness to enable such paying agent to pay to the holders of such Subordinated Indebtedness the amount required to pay such principal, redemption premium or interest becoming due and payable, all as provided in the ordinance, resolution or other instrument pursuant to which such Subordinated Indebtedness has been incurred (the "Subordinated Indebtedness Instrument").

The Town may, pursuant to the Subordinated Indebtedness Instrument relating to any Subordinated Indebtedness, establish within the Subordinated Indebtedness Account a special reserve subaccount for such Subordinated Indebtedness. Moneys deposited to the credit of the Subordinated Indebtedness Account with respect to any reserve subaccount deposit requirement established in a Subordinated Indebtedness Instrument shall be deposited in said subaccount and held as a reserve for the corresponding Subordinated Indebtedness, as shall be more fully set forth in such Subordinated Indebtedness Instrument.

If at any time the moneys held for the credit of the Bond Service Subaccount and the Reserve Account shall be insufficient for the purpose of paying the interest on and the principal of

the Bonds as such interest and principal become due and payable, then the Town shall withdraw from any moneys held for the credit of the Subordinated Indebtedness Account and deposit to the credit of the Bond Service Subaccount an amount sufficient to make up any such deficiency.

Section 512. Application of Moneys in General Reserve Account. Moneys held for the credit of the General Reserve Account may at the election of the Town be applied:

- (a) to make up any deficiency in the Bond Service Subaccount or the Redemption Subaccount of the Sinking Fund Account,
- (b) to make up deficiencies in any of the other Accounts and subaccounts created by this Resolution,
- (c) to purchase or redeem Bonds,
- (d) to pay the Cost of Improvements,
- (e) to pay the Cost of any item qualifying as an authorized expenditure from the Renewal, Replacement and Improvement Account,
- (f) to pay administrative overhead expenses payable to the Town's General Fund in an amount not to exceed eleven percent (11.0%) of the Current Expenses for the current Fiscal Year,
- (g) to make termination payments or other one-time, non-recurring payments required under any Related Hedge Agreement,
- (h) to make a transfer to the Revenue Account to fund all or any portion of any credits or other reductions allowed by the Town Council against the fees and charges imposed on properties within the Town for the facilities and services provided by the Stormwater Utility System, and
- (i) for any other lawful purpose of the Stormwater Utility System.

Section 513. Application of Moneys in Sinking Fund Account. Subject to the terms and conditions set forth in this Resolution, moneys held for the credit of the Sinking Fund Account shall be held in trust and disbursed for (a) the payment of interest on the Bonds issued under the provisions of Sections 208, 209 or 210 or of this Resolution as such interest becomes due and payable, or (b) the payment of the principal of such Bonds at their maturities, or (c) the payment of the purchase or redemption price of such Bonds before their maturity and such moneys are hereby pledged to and charged with the payments mentioned in this Section or (d) the payment of any scheduled periodic payment required under a Related Hedge Agreement (but not any termination payment or any other one-time non-recurring payment thereunder).

Section 514. Money Held in Trust. All moneys which the Town shall have withdrawn from the Sinking Fund Account or shall have received from any other source and deposited with the Paying Agent, for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, or for the purpose of paying any interest on any of the Bonds

hereby secured, shall be held in trust for the respective Holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the Holders of such Bonds for the period of four (4) years after the date on which such Bonds or the interest thereon shall have become due and payable shall upon request in writing be paid to the Town or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the Holders of such Bonds shall look only to the Town or to such officer, board or body, as the case may be, for the payment and then only to the extent of the amounts so received without any interest thereon, and the Paying Agent shall have no responsibility with respect to such moneys.

Section 515. Cancellation of Bonds. All Bonds, paid, redeemed or purchased either at or before maturity shall be cancelled upon the payment, redemption or purchase of such Bonds and shall be delivered to the Bond Registrar when such payment, redemption or purchase is made. All Bonds cancelled under any of the provisions of this Resolution shall be destroyed by the Bond Registrar, which shall execute a certificate in duplicate describing the Bonds so destroyed, and one executed certificate shall be filed with the Finance Director and the other executed certificate shall be retained by the Bond Registrar.

[END OF ARTICLE V]

ARTICLE VI

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Security for Deposits. All moneys received by the Town under the provisions of this Resolution shall be held either in accordance herewith or shall be deposited with a Depositary or Depositaries, shall be held in trust, shall be applied only in accordance with the provisions of this Resolution and shall not be subject to lien or attachment by any creditor of the Town.

All moneys held by the Town or deposited with any Depositary hereunder in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured for the benefit of the Town and the Holders of the Bonds, either (a) by lodging with a bank or trust company approved by the Town as custodian, or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit as collateral security, Government Obligations, or, with the approval of the Town, other marketable securities eligible as security for the deposit of trust funds under applicable regulations of the Comptroller of the Currency of the United States or applicable laws or regulations of the State, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or, if the furnishing of security as provided in this clause (a) is not permitted by applicable law, (b) in such other manner as may then be required or permitted by applicable State or federal law or regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Bond Registrar to give security for the deposits of any moneys with them for the payment of the principal of or the redemption premium or the interest on any Bonds issued hereunder, or for the Town to give security for any moneys which shall be represented by obligations purchased under the provisions of this Article as an investment of such moneys.

All moneys held by the Town and deposited with each Depositary shall be credited to the particular Fund or Account to which such moneys belong.

Section 602. Investment of Moneys. Moneys held for the credit of the Construction Account, the Revenue Account, the Sinking Fund Account, the Bond Service Subaccount, the Redemption Subaccount, the Reserve Account, the Renewal, Replacement and Improvement Account, the General Reserve Account, and any other subaccounts therein shall, as nearly as may be practicable, be continuously invested and reinvested in Investment Obligations which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when moneys held for the credit of said Funds, Accounts and Subaccounts will be required for the purposes intended; provided, however, that amounts on deposit in the Reserve Account or any subaccount therein shall be invested in Investment Obligations which mature not later than the final maturity date of the Bonds Outstanding to which such account or subaccount relates.

Investment Obligations so purchased as an investment of moneys in any such Fund or Account shall be deemed at all times to be part of such Fund or Account. The interest accruing

thereon and any profit realized from such investment shall be credited to such Fund or Account and any loss resulting from such investment shall be charged to such Fund or Account.

Investment earnings on moneys on deposit to the credit of the following Funds and Accounts shall be applied as follows:

(a) Investment earnings on moneys on deposit to the credit of the Bond Service Subaccount and the Redemption Subaccount may, at the option of the Town, be retained in said Subaccounts if the amounts are required for paying interest on the Bonds on the next Interest Payment Date and principal of Serial Bonds or the Amortization Requirements for Term Bonds when due, and to the extent that earnings are so retained, the Town shall receive a credit against the amounts required to be deposited to said Subaccounts pursuant to Section 505 of this Resolution or the Town may withdraw such earnings and deposit them to the credit of the Revenue Account.

(b) Investment earnings on money on deposit in the Reserve Account or a subaccount of the Reserve Account shall be retained in said Account or subaccount at any time that the amounts on deposit to the credit of said Account or subaccount are less than the Reserve Account Requirement for the Bonds or for the Series of Bonds for which such subaccount was created, as applicable, or if moneys on deposit therein are sufficient for such purpose, then such earnings shall be withdrawn and deposited to the credit of the Revenue Account.

(c) Investment earnings on moneys on deposit to the credit of the Renewal, Replacement and Improvement Account may, at the option of the Town, be retained in said Account or withdrawn and deposited to the credit of the Revenue Account.

(d) Investment earnings on moneys on deposit to the credit of the General Reserve Account may, at the option of the Town, be retained in said Account or withdrawn and deposited to the credit of the Revenue Account.

(e) Investment earnings on moneys held for the credit of the Subordinated Indebtedness Account for the purpose of payment of the principal of, redemption premium, if any, and interest on Subordinated Indebtedness shall be applied in accordance with the corresponding Subordinated Indebtedness Instrument.

(f) Investment earnings on moneys on deposit to the credit of the Construction Account or in a subaccount of the Construction Account may, at the option of the Town, be retained in said Account or subaccount or, if deemed to be surplus to the requirements of the Construction Account, withdrawn and deposited to the credit of the Revenue Account. Anything in this clause (f) to the contrary notwithstanding, no transfer of investment earnings to the Revenue Account as permitted herein shall affect the definition of Revenues contained in this Resolution.

The Town shall sell or present for payment or redemption any Investment Obligations so acquired whenever it shall be necessary so to do in order to provide moneys to meet any payment from such Fund or Account. Neither the Town nor any agent thereof shall be liable or responsible for any loss resulting from any investment.

References to a Fund or Account in this Article or elsewhere in this Resolution include any subaccounts therein, unless expressly provided or the context clearly requires otherwise.

Section 603. Valuation of Investment Obligations. In computing the amount in any Fund or Account created pursuant to the provisions of this Resolution, obligations purchased as an investment of moneys therein shall be valued at par if purchased at the lower of (i) par or at amortized value if purchased at other than par, or (ii) market value, plus, in each case, accrued interest. Amortized value, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and (1) in the case of an obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an obligation purchased at a discount by adding the product thus obtained to the purchase price. Valuation on any particular date shall include the amount of interest then earned or accrued to such date or any moneys or investments in such Fund or Account. The computation of the amount on deposit in or credited to the Funds and Accounts created under this Resolution and the valuation of the investments of such amount shall be performed by the Town on the last day of each Fiscal Year, and such computation and valuation shall not be required to be performed at other times.

Section 604. Accounting for Funds and Accounts. For the purposes of this Resolution, each Fund and Account created hereunder shall be a series of self-balancing accounts within the book of accounts of the Stormwater Utility System and shall connote a segregation of accounts, which will support special purpose disclosure reports, not to be construed as a separate set of books of accounts.

For the purpose of investing or reinvesting, the Town may commingle moneys in the Funds and Accounts created and established hereunder in order to achieve greater investment income; provided that the Town shall separately account for the amounts so commingled. The amounts required to be accounted for in each of the Funds and Accounts designated herein may be deposited in a single bank account for the Stormwater Utility System provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein for the various purposes of such Funds and Accounts as herein provided. The designation and establishment of Funds and Accounts in and by this Resolution shall not be construed to require the establishment of any completely independent Funds and Accounts but rather is intended solely to constitute an allocation of certain revenues and assets of the Stormwater Utility System for certain purposes and to establish such certain priorities for application of certain revenues and assets as herein provided.

[END OF ARTICLE VI]

ARTICLE VII

PARTICULAR COVENANTS

Section 701. Payment of Principal, Interest and Premium; Pledge of Pledged Funds. The Town covenants that it will promptly pay the principal of and the interest on each and every Bond and all other Stormwater Utility System Debt issued under the provisions of this Resolution at the places, on the dates and in the manner specified herein and in said Bonds or Stormwater Utility System Debt, and any premium required for the retirement of said Bonds and Stormwater Utility System Debt by purchase or redemption, according to the true intent and meaning thereof. Such principal, interest and premium will be payable solely from and secured by a lien on and pledge of the Pledged Funds, and said Pledged Funds are hereby pledged to the payment thereof in the manner and to the extent provided in this Resolution.

Bonds and other Stormwater Utility System Debt issued or permitted to be incurred, as applicable under the provisions of this Resolution shall not be deemed to constitute a debt of the Town, the County, the State or any political subdivision thereof or a pledge of the faith and credit of the Town, the County, the State or any political subdivision thereof, but such Bonds and Stormwater Utility System Debt shall be payable solely from the funds and accounts provided therefor from Pledged Funds and the Bonds and other Stormwater Utility System Debt shall not directly or indirectly or contingently obligate the Town, the County, the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor, nor shall any such Bonds or Stormwater Utility System Debt constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Town, the County, the State or any political subdivision thereof.

Section 702. Construction of Projects and Improvements; Operation of Stormwater Utility System. The Town further covenants that it will construct each Project and all Improvements for the construction or acquisition of which Bonds or other Stormwater Utility System Debt shall be issued or incurred under the provisions of this Resolution, or for which moneys repayable from the proceeds of Bonds or Stormwater Utility System Debt issued under the provisions of this Resolution shall have been advanced to the Town, in accordance with the plans theretofore approved for such Project and Improvements and that upon the completion of the Project and such Improvements it will operate and maintain the same as a part of the Stormwater Utility System. The Town further covenants that any contract with any person for the construction of all or a portion of a Project or any Improvements shall provide for such performance and payment bonds or security in lieu thereof and for such retainages as shall be in compliance with the laws of the State and the normally established practices of the Town from time to time in effect.

The Town further covenants that it will establish and enforce reasonable rules and regulations governing the use of the Stormwater Utility System and the operations thereof, that all compensation, salaries, fees and wages paid by it in connection with the maintenance, repair and operation of the Stormwater Utility System will be reasonable, that it will operate the Stormwater Utility System in an efficient and economical manner, that it will at all times maintain the Stormwater Utility System or any part thereof in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, that it will duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Stormwater

Utility System, that it will not create or suffer to be created any lien or charge upon the Stormwater Utility System or any part thereof or upon the Pledged Funds ranking equally with or prior to the Bonds, and that, out of the Pledged Funds, it will pay or cause to be discharged, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Stormwater Utility System or any part thereof or upon the Revenues; provided, however, that nothing contained in this Section shall require the Town to pay or cause to be discharged, or make provision for, any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 703. Employment of Consulting Engineers. The Town covenants and agrees that so long as any Bonds are Outstanding under this Resolution, it will employ an independent engineer or engineering firm or corporation having a favorable reputation for skill and experience in the construction and operation of stormwater management systems. Except for any fees and expenses incurred under the provisions of Section 403 of this Resolution, the cost of employing Consulting Engineers shall be treated as a part of the cost of operation and maintenance of the Stormwater Utility System.

Not later than December 31 of every fourth (4th) year, with the first of such report due by December 31, 2025, and then by December 31 every four (4) years thereafter, the Town shall cause the Consulting Engineers to prepare and file with the Town a report setting forth such advice and recommendations as they may deem desirable in respect of the Stormwater Utility System. The requirement for such report may be satisfied through an update of the Town's master plan for the Stormwater Utility System, provided that the master plan includes the Consulting Engineer's advice and recommendations regarding the condition, state of repair and structural integrity of the Stormwater Utility System.

The Town further covenants that the Consulting Engineers shall at all times have free access to all properties of the Stormwater Utility System and every part thereof for the purposes of inspection and examination and that its books, records and accounts may be examined by the Consulting Engineers at all reasonable times.

Section 704. Employment of Accountant. The Town covenants and agrees that it will for the purpose of performing and carrying out the duties imposed on the Accountant by this Resolution employ an independent certified public accountant or firm of independent certified public accountants of suitable experience and responsibility, having a favorable reputation for skill and experience in the auditing of stormwater management systems.

Section 705. Insurance. The Town covenants that it will at all times carry insurance, in a responsible insurance company or companies authorized and qualified under the laws of the State to assume the risk thereof, covering such properties belonging to the Stormwater Utility System as are customarily insured, and against loss or damage from such causes as are customarily insured against in connection with stormwater management systems.

All such policies shall be for the benefit of the Town, shall be made payable to the Town and shall be deposited with the Town, and the Town shall have the sole right to receive the

proceeds of such policies and to collection and receipt for claims thereunder. The proceeds of any and all such insurance shall be deposited in the name of the Town in a Depository.

The Town covenants that, immediately after any loss or damage to any properties of the Stormwater Utility System resulting from any cause, whether or not such loss or damage shall be covered by insurance, it will cause its engineers to prepare plans and specifications for repairing, replacing or reconstructing (either in accordance with the original or a different design) the damaged or destroyed property, and that it will forthwith commence and diligently prosecute the repair, replacement or reconstruction of the damaged or destroyed property unless it shall determine that the repair, replacement or reconstruction of such property is not essential to the efficient or economic operation of the Stormwater Utility System. In the event that the Town shall determine that the repair or replacement of such damaged or destroyed property is not essential to the efficient or economic operation of the Stormwater Utility System, the proceeds of such insurance received by the Town, at the option of the Town, shall be deposited to the credit of either the Redemption Subaccount or the Renewal, Replacement and Improvement Account.

The proceeds of all insurance referred to in this Section shall be available for and shall, to the extent necessary, be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner hereinabove provided for payments from the Construction Account. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Renewal, Replacement and Improvement Account. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied out of any moneys in the Renewal, Replacement and Improvement Account or the General Reserve Account.

All insurance policies shall be open to the inspection of the Bondholders and their representatives at all reasonable times. The Finance Director is hereby authorized in the name of the Town to demand, collect, sue and receive the insurance money which may become due and payable under any policies payable to it. Any appraisal or adjustment of any loss or damage and any settlement or payment of indemnity therefor which may be agreed upon between the Town and any insurer shall be evidenced to the Finance Director by a certificate signed by the officer or officers of the Town responsible for managing the Stormwater Utility System.

Notwithstanding the foregoing provisions of this Section, the Town may institute self-insurance programs with regard to such risks as shall be consistent with the practices of municipally owned utilities operating in a manner similar to the Stormwater Utility System.

Section 706. Use of Revenues. The Town covenants and agrees that, so long as any of the Bonds secured hereby shall be Outstanding, none of the Revenues will be used for any purpose other than as provided in this Resolution, and that no contract or contracts will be entered into or any action taken by the Town which might impair or diminish the rights of Holders of the Bonds under this Resolution.

Section 707. Records, Accounts and Audits. The Town covenants that it will keep the funds and accounts of the Stormwater Utility System separate from all other funds and accounts of the Town or any of its departments, and that it will keep accurate records and accounts of all items of costs and of all expenditures relating to the Stormwater Utility System and of the Revenues collected and the application of such Revenues, and of the number of properties served

by the Stormwater Utility System in each classification. Such records and accounts shall be open to the inspection of all interested persons during normal business hours.

The Town further covenants that within six months after the close of each Fiscal Year it will cause an audit to be made of its books and accounts pertaining to the Stormwater Utility System by the Accountant. Within a reasonable time thereafter reports of each audit shall be filed with the Town Council and the Finance Director, and copies of such report shall be mailed to any Bondholder who shall have filed his name and address with the Finance Director for such purpose. Such audit reports shall be open to the inspection of all interested persons during normal business hours.

The Town further covenants that it will cause any additional reports or audits relating to the Stormwater Utility System to be made as required by law or by any applicable rules or regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or traded. Such reports or audits may be extracted from the portions of the Financial Statements relating to the Stormwater Utility System. The cost of such audits shall be treated as a part of the cost of operation of the Stormwater Utility System.

Section 708. Supervisory Personnel. The Town in operating the Stormwater Utility System will employ or designate one or more of its qualified employees as manager who has demonstrated ability and experience in operating similar facilities.

Section 709. No Free Service. Unless otherwise required by law, the Town will not render or cause to be rendered any free services of any nature by the facilities of the Stormwater Utility System nor will any preferential fees or charges be established for users of the same class, except that the Town and its departments, agencies and instrumentalities may receive the services provided by the Stormwater Utility System free of fees or charges applicable to other properties receiving like services.

Section 710. Collection of Stormwater Utility System Fees and Charges. The Town represents and warrants that it is presently imposing and collecting fees and charges for the services provided by the Stormwater Utility System. The Town covenants and agrees that so long as any Bonds or Stormwater Utility System Debt are Outstanding, it shall not amend or modify the ordinances or resolutions under which it imposes and collects the Stormwater Utility System fees and charges in any manner so as to adversely affect the Town's ability to meet its obligations with respect to the Bonds and Stormwater Utility System Debt.

Section 711. Enforcement of Collections. The Town will diligently enforce and collect the fees and charges for the services of the Stormwater Utility System; will take all steps, actions and proceedings for the enforcement and collection of such fees and charges as shall become delinquent to the full extent permitted or authorized by law, including, without limitation, the Stormwater Code Provisions; and will maintain accurate records with respect thereto. All such fees, charges and revenues herein pledged shall, as collected, be held in trust to be applied as provided in this Resolution and not otherwise.

Section 712. Substitution for Stormwater Utility System Fees and Charges. In the event that the Stormwater Utility System fees and charges should ever be determined to be invalid or

defective, the Town will alter, amend, adjust or revise such fees and charges so as to cure such invalidity or defect and, in the event that the Town is unable to so amend, adjust or revise such fees and charges, then the Town shall impose special assessments or other charges against the properties or persons benefitted by the Stormwater Utility System in such amount and such manner as shall provide annual revenues at least equal to the revenues that would have been produced by the Stormwater Utility System fees and charges in each year measured pursuant to the provisions of Section 502 of this Resolution.

Section 713. Sale or Other Disposition of the Stormwater Utility System. Except as provided in this Section, the Town shall not sell or otherwise dispose of all or any part of the Stormwater Utility System.

(a) To the extent permitted by law, the Town, without restriction, may in any Fiscal Year sell, lease or otherwise dispose of assets forming a part of the Stormwater Utility System, the aggregate value of which in each such Fiscal Year does not exceed the greater of \$1,000,000 or one half of one per centum (1/2 of 1%) of the book value of the net property, plant and equipment of the Stormwater Utility System as shown on the audited financial statements of the Stormwater Utility System for the latest Fiscal Year for which such audited statements are available. The proceeds of a sale pursuant to this clause (a) shall be: (i) deposited into the Bond Service Subaccount to be used for the purposes permitted under Section 507 of this Resolution; (ii) deposited into the Redemption Subaccount to be used for the purposes permitted under Section 508 of this Resolution; or (iii) applied in such manner as will result in the defeasance of Bonds pursuant to Section 1101 of this Resolution.

(b) To the extent permitted by law, the Town may in any Fiscal Year sell, lease or otherwise dispose of assets forming a part of the Stormwater Utility System in excess of the amount set forth in clause (a) of this Section, if, before any such transfer, there is delivered to the Town Manager a report of the Consulting Engineer demonstrating that the sale, lease or other disposition of such property will not have an adverse impact on the Net Revenues and stating the reasons therefor. In determining whether to render such report, the Consulting Engineer shall consider the usefulness of the assets to be disposed of to the operations of the Stormwater Utility System, the uses to be made of any proceeds of a sale and the rental income to be received with respect to any lease thereof. The proceeds of a sale pursuant to this clause (b) shall be: (i) deposited into the Bond Service Subaccount to be used for the purposes permitted under Section 507 of this Resolution; (ii) deposited into the Redemption Subaccount to be used for the purposes permitted under Section 508 of this Resolution; or (iii) applied in such manner as will result in the defeasance of Bonds pursuant to Section 1101 of this Resolution.

(c) To the extent permitted by law, the Town may in any Fiscal Year sell, lease or otherwise dispose of any assets forming a part of the Stormwater Utility System without regard to the limitations and conditions in paragraphs (a) and (b) above if the Town Council by resolution declares that such assets are not needed or serve no useful purpose in connection with the maintenance and operation of the Stormwater Utility System. The proceeds of a sale pursuant to this clause (c) shall be: (i) deposited into the Bond Service Subaccount to be used for the purposes permitted under Section 507 of this Resolution; (ii)

deposited into the Redemption Subaccount to be used for the purposes permitted under Section 508 of this Resolution; or (iii) applied in such manner as will result in the defeasance of Bonds pursuant to Section 1101 of this Resolution.

(d) To the extent permitted by law, the Town may sell, lease or otherwise dispose of the assets of the entire Stormwater Utility System, if, upon the application of the proceeds of any such sale as hereinafter required, there shall be no Bonds deemed to be Outstanding under the provisions of this Resolution and the Town shall have paid or made full provision for the payment of all other obligations of the Town payable from the Revenues of the Stormwater Utility System, including but not limited to, Current Expenses then due and payable or to become due and payable, and all Stormwater Utility System Debt payable in any way from the Revenues of the Stormwater Utility System and all fees then due and owing or to become due in the future with respect to Credit Facilities. The proceeds of any sale, lease or other disposition permitted by this clause (d) shall be applied first to the payment or provision for payment of the obligations, including the Bonds, set forth above, and only after all such obligations shall have been paid or full provision for their payment been made, shall the Town apply any of such proceeds to any other lawful purpose of the Town.

No sale or any other disposition of assets of the Stormwater Utility System shall be consummated nor shall the proceeds of any such sale be applied unless prior to such consummation or application, there shall be delivered an opinion of Bond Counsel to the effect that such sale and the application of the proceeds as required herein will have no adverse impact on the exclusion of interest on any of the Bonds or other Stormwater Utility System Debt from gross income for federal income purposes (except that such opinion shall not be required with respect to any Bonds issued with the intention that the interest thereon be included in gross income for federal income tax purposes of the Holders thereof under the Code).

Section 714. Tax Covenants

(a) The Town will not take any action or omit to take any action which action or omission would result in inclusion in gross income for federal income tax purposes of interest on any Series of Bonds originally issued as Bonds the interest on which is intended to be excludable from the gross income of the Holders thereof for federal tax purposes. Particularly, (i) the Town will not take any action or omit to take any action which action or omission would cause any Series of Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code; (ii) the Town will not take any action or omit to take any action which would cause any Series of Bonds not intended on their date of issuance to be “private activity bonds” within the meaning of Section 141 of the Code to be “private activity bonds” within the meaning of that Section; and (iii) the Town will not take any action or omit to take any action which would cause a Series of Bonds intended on their date of issuance to be “private activity bonds” within the meaning of Section 141 of the Code not to be “qualified bonds” as that term is defined in said Section. In the event that an adverse determination is made or threatened by the Internal Revenue Service with respect to any of the matters described in the foregoing clauses (i), (ii) or (iii), the Town shall use its best efforts and undertake all reasonable action in order to vigorously contest such adverse determination. In furtherance of the foregoing covenants, the Town agrees that it will

comply with any additional tax covenants set forth in any Series Resolution or related agreement, and with the covenants set forth or otherwise included in an arbitrage and tax certificate or certificates to be prepared by Bond Counsel and executed and delivered on the date of issuance of each Series of Bonds issued with the intention that the interest thereon be excludable from the gross income of the Holders thereof for federal income tax purposes. The Finance Director or such other appropriate official of the Town is hereby authorized to execute and deliver such arbitrage and tax certificates.

(b) The Town shall comply with and shall make all calculations required to be made pursuant to all arbitrage rebate covenants contained or provided for in the Series Resolution, any related agreement, or in the arbitrage and tax certificates of the Town delivered in connection with the issuance of each Series of Bonds. Notwithstanding anything in this Resolution to the contrary, the requirement of the Town to rebate any amounts due to the United States pursuant to Section 148 of the Code in connection with a Series of Bonds shall survive the payment or provision for payment of the principal, interest and redemption premium, if any, with respect to such Series of Bonds or any portion of such Series of Bonds.

Section 715. Covenants with Providers of Credit and/or Liquidity Facilities.

(a) Subject to the provisions of this Resolution, the Town may make such covenants, including the granting of a parity or subordinate lien on Pledged Funds to the lien of Bonds hereunder, as the Town may in its sole discretion determine to be appropriate with any provider of a Credit Facility or a Liquidity Facility for Bonds of any one or more Series, which credit or liquidity support shall enhance the security or the value of such Bonds and thereby reduce the Principal and Interest Requirements on such Bonds. Such covenants may be set forth in the applicable Series Resolution or in any agreement entered into prior to the issuance of such Bonds with the provider of such Credit Facility or Liquidity Facility and approved by the Town Manager, and shall be binding on the Town, the Bond Registrar, the Paying Agents and all the Holders of Bonds the same as if such covenants were set forth in full in this Resolution.

(b) Subject to the provisions of this Resolution, the Town may make such covenants as it may in its sole discretion determine to be appropriate with any issuer of a Reserve Fund Insurance Policy or Reserve Account Letter of Credit deposited to the credit of the Reserve Account or any subaccount therein. Such covenants may be set forth in a resolution adopted by the Town or in any agreement entered into with such issuer and shall be binding on the Town, the Bond Registrar, the Paying Agents and all the Holders of Bonds the same as if such covenants were set forth in full in this Resolution.

(c) All covenants for the benefit of a provider of a Credit Facility or Liquidity Facility or issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy shall remain in full force and effect only for so long as such provider or issuer has not defaulted in its obligations under the applicable Credit Facility, Liquidity Facility, Reserve Account Letter of Credit or Reserve Account Insurance Policy.

[END OF ARTICLE VII]

ARTICLE VIII

REMEDIES

Section 801. Events of Default. Each of the following events is hereby declared an “Event of Default”:

(a) payment of the principal and redemption premium, if any, of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds or any scheduled, periodic payment required in a Related Hedge Agreement shall not be made when the same shall become due and payable; or

(c) the Town shall default in the due and punctual performance of any other of the covenants contained in the Bonds or in this Resolution or in a Series Resolution on the part of the Town to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Town by the Holders of not less than ten per centum (10%) in aggregate principal amount of the Bonds then Outstanding; provided, however, if the default specified in this clause (c) shall be of a type which cannot be remedied within thirty (30) days, it shall not constitute an event of default if the Town shall begin to remedy such default within such thirty (30) day period and shall diligently and in good faith pursue such remedy.

(d) final judgment for the payment of money shall be rendered against the Town as a result of the ownership, control or operation of the Stormwater Utility System and there does not exist adequate insurance, reserves or appropriate surety or indemnity bonds for the timely payment of such judgment, and such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(e) the Town admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Stormwater Utility System or a receiver or trustee for such purpose is appointed without the consent of the Town; or

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

(g) the Town 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 or any state thereof; or

(h) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Town or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control; or

(i) the Town shall have received written notice from a Hedge Counterparty that an event of default has occurred and is continuing under the Related Hedge Agreement.

Section 802. No Acceleration of Maturities. Neither the Bonds issued under the provisions of this Resolution nor other indebtedness secured hereunder shall be subject to acceleration.

Section 803. Enforcement of Remedies. Upon the happening and continuance of any Event of Default then and in every such case the Holders of not less than ten per centum (10%) in aggregate principal amount of the Bonds then Outstanding hereunder may proceed to protect and enforce the rights of the Bondholders under state law, or under this Resolution by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as such Bondholder shall deem most effectual to protect and enforce such rights. Such Holders of Bonds, or any trustee appointed to represent Bondholders as hereinafter provided, shall be entitled as of right to the appointment of a receiver of the Stormwater Utility System in an appropriate judicial proceeding in a court of competent jurisdiction, whether or not such Holder or trustee is also seeking or shall have sought to enforce any other right or exercise any other remedy in connection with Bonds issued pursuant to this Resolution.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of the Stormwater Utility System, and each and every part thereof, and shall hold, operate and maintain, manage and control the Stormwater Utility System, and each and every part thereof and in the name of the Town shall exercise all the rights and powers of the Town with respect to the Stormwater Utility System as the Town itself might do. Such receiver shall collect and receive all Revenues and maintain and operate the Stormwater Utility System in the manner provided in this Resolution and comply under the jurisdiction of the court appointing such receiver, with all of the provisions of this Resolution.

Whenever all that is due upon the Bonds, and interest thereon, and under any covenants of this Resolution for the Funds and Accounts, and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the Stormwater Utility System shall have been paid and made good, and all defaults under the provisions of this Resolution shall have been cured and made good, possession of the Stormwater Utility System shall be surrendered to the Town upon the entry of an order of the court to that effect. Upon any subsequent Event of Default, any Holder of Bonds issued pursuant to this Resolution or any trustee appointed for

Bondholders as hereinafter provided, shall have the right to secure the further appointment of a receiver.

Such receiver shall in the performance of the powers hereinabove conferred upon him be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the Stormwater Utility System in the name of the Town and for the joint protection and benefit of the Town and the Holders of Bonds issued pursuant to this Resolution. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Stormwater Utility System, except as provided herein, but the authority of such receiver shall be limited to the possession, operation and maintenance of the Stormwater Utility System for the sole purpose of the protection of both the Town and the Bondholders.

The Holder or Holders of Bonds in an aggregate principal amount of more than fifty per centum (50%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders. Such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Town Clerk of the Town.

Nothing in this Resolution shall be construed to grant to any Holders of Bonds, or any receiver or trustee acting on behalf of such Holders, any lien on the Stormwater Utility System on any property of the Town. No Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of and provided by this Resolution or to enforce any right except in the manner provided by this Resolution and all proceedings at law and in equity shall be instituted and maintained for the benefit of all Holders of Bonds.

Notwithstanding anything in this Resolution to the contrary, so long as the issuer of a Credit Facility shall not be in default in its payment obligations under such Credit Facility, such issuer shall be deemed to be the Holder of all Bonds so insured for all purposes of this Article VIII.

Section 804. Pro Rata Application of Funds. Anything in this Resolution to the contrary notwithstanding, if at any time the moneys in the Sinking Fund Account shall not be sufficient to pay the principal of or the interest on the Bonds as the same become due and payable by their terms, such moneys, together with any moneys then available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

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

First: to the payment of the persons entitled thereto of all installments of interest then due and payable (including regularly scheduled periodic payments

then due and payable under any Related Hedge Agreement), in the order in which such installments become due and payable, and, if the amount available shall not be sufficient to pay in full, any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest (or Reference Rate) specified in the Bonds or the Related Hedge Agreement;

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

Third: to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article V of this Resolution.

(b) If the principal of all the Bonds shall have become due and payable by their terms, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds. Regularly scheduled, periodic payments required under a Related Hedge Agreement shall be treated the same as interest on the Bonds for purposes of this Section.

Whenever moneys are to be applied by the Town pursuant to the provisions of this Section, such moneys shall be applied by the Town at such times, and from time to time, as the Town in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the Town; and the Town shall incur no liability whatsoever to any Bondholder or to any other person for any delay in applying any such funds, so long as the Town acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application. Whenever the Town shall exercise such discretion in applying such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease

to accrue. The Town shall give such notice as it may deem appropriate and as otherwise required herein of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Bond until such Bond shall be surrendered to it for appropriate endorsement.

Section 805. Effect of Discontinuance of Proceedings. In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the Town and the Bondholder shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Bondholders shall continue as though no such proceeding had been taken.

Section 806. Restrictions on Individual Bondholder Actions. No Holder or Holders of any of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Holders of such Bonds.

Section 807. No Remedy Exclusive. No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

Section 808. Delay Not a Waiver. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Bondholder may be exercised from time to time and as often as may be deemed expedient.

Section 809. Right to Enforce Payment of Bonds. Nothing in this Article shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his Bond, or the obligation of the Town to pay the principal of and interest on each Bond to the Holder thereof at the time and place in said Bond expressed.

[END OF ARTICLE VIII]

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 901. Failure of Town to Act. No Fiduciary shall be liable or responsible because of the failure of the Town or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Town or because of the loss of any money arising through the insolvency or the act or default or omission of any Depository in which such money shall have been deposited under the provisions of this Resolution. No Fiduciary shall be responsible for the application of any of the proceeds of the Bonds or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Resolution. The immunities and exemptions from liability of a Fiduciary hereunder shall extend to the directors, officers, employees and agents of each Fiduciary,

Section 902. Compensation. Subject to the provisions of any contract between the Town and any Fiduciary relating to the compensation of such Fiduciary, the Town shall pay to such Fiduciary reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration, execution and performance of its powers, duties and obligations hereunder.

Section 903. Reliance by Fiduciaries. In case at any time it shall be necessary or desirable for any Fiduciary to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Fiduciary, and in any case in which this Resolution provides for permitting or taking any action, such Fiduciary may rely upon any certificate required or permitted to be filed with it under the provisions of this Resolution, and any such certificate shall be evidence of such fact to protect such Fiduciary in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Resolution, any request, notice, certificate or other instrument from the Town to such Fiduciary shall be deemed to have been signed by the proper party or parties if signed by the Town Manager or the Finance Director and such Fiduciary may accept and rely upon a certificate of the Town so signed as to any action taken by the Town or such Fiduciary in reliance thereon.

Section 904. Fiduciaries May Deal in Bonds. Any bank or trust company acting as a Fiduciary and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds or coupons issued under and secured by this Resolution, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not such Fiduciary under this Resolution.

Section 905. No Responsibility for Recitals. The recitals, statements and representations contained herein and in the Bonds (excluding the certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the Town and not by any Fiduciary, and no Fiduciary assumes or shall be under any responsibility for the correctness of the same.

Section 906. Paying Agents and Bond Registrars; Appointment and Acceptance of Duties.

(a) The Town, in the Series Resolution corresponding to each Series of Bonds, shall appoint a Bond Registrar and a Paying Agent for such Series of Bonds. The Town may appoint one or more additional Paying Agents and Bond Registrars for the Bonds having the qualifications set forth in Section 907 for a successor Paying Agent or Bond Registrar, as the case may be.

(b) Each Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Town a written acceptance thereof.

Section 907. Resignation or Removal of Paying Agent or Bond Registrar and Appointment of Successor.

(a) Any Paying Agent or Bond Registrar may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the Town, all providers of Credit Facilities, Liquidity Facilities, Reserve Account Insurance Policies and Reserve Account Letters of Credit and any other Fiduciaries. Any Paying Agent or Bond Registrar may be removed by the Town at any time by an instrument filed with all providers of Credit Facilities, Liquidity Facilities, Reserve Account Insurance Policies and Reserve Account Letters of Credit, and such Bond Registrar or Paying Agent, and signed by the Town Manager. Any successor Paying Agent or Bond Registrar shall be appointed by the Town and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having (or controlled by an entity having) capital stock, surplus and undivided earnings aggregating, on a combined consolidated basis, at least Fifty Million Dollars (\$50,000,000), and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Notwithstanding the foregoing, the Town may designate itself, acting by and through the Finance Director, as successor Bond Registrar and Paying Agent. The Town shall provide written notice to all providers of Credit Facilities, Liquidity Facilities, Reserve Account Insurance Policies and Reserve Account Letters of Credit of the appointment of such successor Paying Agent or Bond Registrar.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver moneys held by it as Paying Agent to its successors, or if there be no successors, to the Town. In the event that for any reason there shall be a vacancy in the office of any Paying Agent or Bond Registrar, the Finance Director shall act as such Paying Agent or Bond Registrar.

Section 908. Successorship of Fiduciary. To the extent that a Fiduciary is other than the Town, any bank or trust company with or into which the Fiduciary may be merged or consolidated, or to which the assets and business of such Fiduciary may be sold, shall be deemed the successor of such Fiduciary for the purposes of this Resolution.

Section 909. Several Capacities. The same Person may serve as Paying Agent and Bond Registrar, to the extent permitted by law.

[END OF ARTICLE IX]

ARTICLE X

EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOF OF OWNERSHIP OF BONDS

Section 1001. Execution of Instruments by Bondholders and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders or their attorneys or legal representatives. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the Town with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

(b) The fact of the ownership of Bonds shall be proved by the registration books required to be maintained pursuant to Article II of this Resolution.

Nothing contained in this Article shall be construed as limiting the Town to such proof, it being intended that the Town may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done by the Town in pursuance of such request or consent.

Notwithstanding any of the foregoing provisions of this Section, the Town shall not be required to recognize any person as a Holder of any Bond or to take any action at his request unless such Bond shall be deposited with it.

[END OF ARTICLE X]

ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

Section 1101. Supplemental Resolution without Bondholders Consent. The Town Council may, from time to time and at any time adopt such resolutions supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental resolution shall thereafter form a part hereof):

- (a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or in any supplemental resolution, or
- (b) to grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or
- (c) to add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed, or
- (d) to add to the covenants and agreements of the Town in this Resolution other covenants and agreements thereafter to be observed by the Town or to surrender any right or power herein reserved to or conferred upon the Town, or
- (e) to permit the issuance of Bonds in coupon form, if as a condition precedent to the adoption of such supplemental resolution, there shall be delivered to the Town an opinion of Bond Counsel to the effect that the issuance of Bonds in coupon or bearer form are then permitted by law to be issued and that the interest on such Bonds would be excluded from gross income for federal income tax purposes, or
- (f) to permit the Town to issue Bonds the interest on which is not excluded from gross income for federal income tax purposes, or
- (g) to qualify the Bonds or any of them for registration under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or
- (h) to qualify this Resolution as an “indenture” under the Trust Indenture Act of 1939, as amended, or
- (i) to create additional Sinking Fund Accounts for Series of Additional Bonds as permitted by Section 505 hereof, or
- (j) to permit Bonds to be issued in denominations smaller than \$5,000, or
- (k) to comply with requirements of entities providing Credit Facilities, Reserve Account Insurance Policies or Reserve Account Letters of Credit, or

(l) to make any change required by Fitch, Moody's or Standard & Poor's as a precondition to the issuance of a rating on any Series of Bonds which is not to the prejudice of any other Series of Bonds, or

(m) to make any other change that would not materially adversely affect the security for the Bonds.

At least thirty (30) days prior to the adoption of any supplemental resolution for any of the purposes of this Section, the Town shall cause a notice of the proposed adoption of such supplemental resolution to be published once in each week for two (2) successive weeks in a Daily Newspaper of general circulation published in the County, and in a Daily Newspaper of general circulation or a financial journal published in the Borough of Manhattan, Town and State of New York. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the office of the Town Clerk for inspection by all Bondholders.

Section 1102. Supplemental Resolution with Bondholders' Consent. Subject to the terms and provisions contained in this Section and Section 1103 hereof, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of the Holders of all of the Bonds Outstanding, (a) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental resolution as authorized in Section 1101 of this Article.

The consent of the Holders of any Series of Additional Bonds to be issued hereunder shall be deemed given if the underwriters or initial purchasers for resale consent in writing to such supplemental resolution and the nature of the amendment effected by such supplemental resolution is disclosed in the official statement or other offering document pursuant to which such Series of Additional Bonds is offered and sold to the public.

If at any time the Town shall determine that it is necessary or desirable to adopt any supplemental resolution for any of the purposes of this Section, the Town shall cause notice of the proposed adoption of such supplemental resolution to be published once in each week for two (2) successive weeks in a Daily Newspaper of general circulation published in the County, and in a Daily Newspaper of general circulation or a financial journal published in the Borough of Manhattan, Town and State of New York, and, on or before the date of the first publication of such notice, it shall also cause a similar notice to be mailed, postage prepaid, to all registered owners of

Bonds then Outstanding at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that the copies thereof are on file at the office of the Town Clerk for inspection by all Bondholders. The Town shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section to be mailed and any such failure shall not affect the validity of such supplemental resolution when consented to and approved as provided in this Section.

Whenever, at the time within one year after the date of the first publication of such notice, the Town shall deliver to the Finance Director an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Town Council may adopt such supplemental resolution in substantially such form, without liability or responsibility to any holder of any Bond, whether or not such Holder shall have consented thereto; provided, however, the Town may adopt such supplemental resolution prior to the time such requisite consents are obtained, provided that such supplemental resolution shall not become effective prior to the time which the Town has obtained the requisite consents.

If the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding at the time of the adoption or effective date of such supplemental resolution shall have consented to and approved the adoption or effectiveness thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption or effectiveness of such supplemental resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption or effectiveness thereof, or to enjoin or restrain the Town Council from adopting the same, having the supplemental resolution take effect or from taking any action pursuant to the provisions thereof.

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

Section 1103. Amendment with Consent of Credit Facility Provider in Lieu of Bondholders. If any Bonds Outstanding under this Resolution shall have, when issued, been secured by a Credit Facility to provide security for the payment of principal and interest when due, and if such Credit Facility is still in effect at the time of the proposed supplemental resolution amending this Resolution and the issuer of such Credit Facility is not in default in its payment obligations under such Credit Facility, and if the credit of the Credit Facility provider is of sufficient quality to entitle debt backed by the Credit Facility to be rated in one of the two highest rating categories by a Rating Agency, the Town may amend all or any part of this Resolution without the consent of any Holder of any Bond secured by such Credit Facility but with the written consent of the Credit Facility provider in lieu of the Holders of the Bonds secured by such Credit Facility (and the acknowledgement by that Credit Facility provider that the Credit Facility will remain in full force and effect). The consent and acknowledgment of the Credit Facility provider

shall be filed with the Bond Registrar. The foregoing right of amendment, however, does not apply to any amendment with respect to the exclusion of interest on the Bonds from the gross income of their owners for purposes of federal income taxation nor may any amendment deprive the owner of any Bond of the right to payment of the Bonds from the Pledged Funds or to any amendment prohibited by clauses (a) through (e) of the first paragraph of Section 1102 of this Article without the consent of the Holders of all of the Bonds Outstanding (as provided for in Section 1102 hereof).

Section 1104. Supplemental Resolutions Part of Resolution. Any supplemental resolution adopted in accordance with the provisions of this Article and approved as to legality by the Town Attorney shall thereafter form a part of this Resolution, and all of the terms and conditions contained in any such supplemental resolution as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes. In case of the adoption and approval of any supplemental resolution, express reference may be made thereof in the text of any Bonds issued thereafter, if deemed necessary or desirable by the Town.

[END OF ARTICLE XI]

ARTICLE XII

DEFEASANCE

Section 1201. Cessation of Interests of Bondholders. If, when the Bonds (or any Series of Bonds or portion thereof) secured hereby (a) shall have become due and payable in accordance with their terms or (b) shall have been duly called for redemption or (c) irrevocable instructions to call the Bonds (or any Series of Bonds or portion thereof) for redemption or to pay such Bonds at their respective maturities or combination of such payment and redemption shall have been given by the Town, the whole amount of the principal and the interest and premium, if any, so due and payable upon all of the Bonds (or any Series of Bonds or portion thereof) then Outstanding shall be paid or sufficient moneys, or Government Obligations the principal of and the interest (which with respect to any Variable Rate Bonds shall be assumed to be the maximum interest rate permitted under the documents governing such Variable Rate Bonds) on which when due will provide sufficient moneys (as evidenced by a verification report of an independent person or firm which has a favorable reputation for skill and experience in producing such reports), shall be held by the Bond Registrar or other bank, trust company or other appropriate financial institution, acting as escrow agent (the "escrow agent"), for such purpose under the provisions of this Resolution, and provision shall also be made for paying all other sums payable hereunder by the Town in connection with such Bonds, then and in that case, the right, title and interest of the Holders of such Bonds secured hereby in the Pledged Funds and in the funds and accounts mentioned in this Resolution shall thereupon cease, determine and become void, the Town shall have no obligation with respect to such Bonds except for the payment of the principal of, redemption premium, if any, and interest thereon solely from the moneys or Government Obligations deposited pursuant to this Section, this Resolution shall no longer secure such Bonds and shall be deemed to be repealed and cancelled with respect thereto and the Town may apply any surplus in any subaccount in the Sinking Fund Account and all balances remaining in any other funds or accounts other than moneys held for the redemption or payment of Bonds or the interest thereon to any lawful purpose of the Town as the Town Council shall determine; otherwise this Resolution shall be, continue and remain in full force and effect; provided, however, that in the event Government Obligations shall be deposited with and held by the Bond Registrar or the escrow agent, as hereinabove provided, and in addition to the requirements set forth in Article III of this Resolution, the Town shall within thirty (30) days after such Government Obligations shall have been deposited with the Bond Registrar or the escrow agent, cause a notice to be published in a Daily Newspaper of general circulation or a financial journal published in the Borough of Manhattan, Town and State of New York, setting forth (a) the date, if any, designated for the redemption of the Bonds or if a portion of the Outstanding Bonds are not being redeemed prior to their maturities or mandatory redemption dates, a statement to the effect that such Bonds are being paid at maturity and any Term Bonds are being redeemed in amounts and at times which will satisfy the Amortization Requirements therefor, (b) a description of the Government Obligations so held by the Bond Registrar or the escrow agent, and (c) that this Resolution has been repealed and cancelled with respect to such Bonds in accordance with the provisions of this Section.

With respect to Variable Rate Bonds or Optional Tender Bonds, prior to the release of this Resolution, there shall be filed with the Finance Director, the following: (i) a resolution adopted by the Town Council determining (which determination may be based upon opinions of Bond Counsel or investment bankers) that the rights of the owners of such Variable Rate Bonds or

Optional Tender Bonds to receive payment of interest at the Variable Rate as provided in the documents pursuant to which such Bonds were issued and the right to receive payment of the purchase price of such Bonds upon tender for purchase, as provided in the documents pursuant to which such Bonds were issued, either pursuant to a Credit Facility provided therefor or otherwise will not be materially adversely impacted by the release of this Resolution pursuant to this Article XI; (ii) a resolution, adopted by the Town Council, which may be the same resolution specified in clause (i) above, specifying the uses to which any Current Excess Interest Earnings (as hereinafter defined) may be applied, which may include the financing of Improvements or Capital Expenditures, as defined in this Resolution, for the Stormwater Utility System or Current Expenses of the Stormwater Utility System; and (iii) there shall have been furnished to the Town, as a condition of the release of this Resolution, an opinion of Bond Counsel to the effect that such release will not have an adverse effect on the exclusion from gross income for federal income tax purposes of interest on any of such Bonds which were issued as Bonds the interest on which is excluded from gross income for federal income tax purposes.

For the purposes of this Section, “Current Excess Interest Earnings” shall mean for each period for which interest is received by the escrow agent on the Government Obligations held in escrow for the Holders of the defeased Bonds, the excess, if any, of interest received on such Government Obligations over the amount of interest paid on the Variable Rate Bonds in such period. The agreement pursuant to which such Government Obligations are held by the escrow agent shall provide for withdrawal of such Current Excess Interest Earnings when received by the escrow agent and payment of such sums to the Town for expenditure in the manner provided for in the resolution mentioned in clause (ii) of the preceding paragraph.

All moneys and obligations held by the Bond Registrar or the escrow agent pursuant to this Section shall be held in trust and the principal of and interest on said obligations when received, and said moneys, shall be applied to the payment, when due, of the principal of, and the interest and the premium, if any, on the Bonds payable therefrom.

Section 1202. Survival of Certain Provisions. The provisions of this Resolution which relate to the maturity of Bonds, interest payments and Interest Payment Dates, optional and mandatory redemption provisions, Amortization Requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds and unclaimed moneys, required rebate of moneys to the United States of America, the holding of moneys in trust and the duties of the Town and the Fiduciaries in connection with all the foregoing, shall remain in effect and be binding notwithstanding the release and discharge of this Resolution. The provisions of this Article XII shall survive the release, discharge and satisfaction of this Resolution.

[END OF ARTICLE XII]

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Effect of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the Town contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Town and of the Town Council and of each department and agency of the Town to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any 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.

Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Town or upon the Town Council by the provisions of this Resolution shall be exercised or performed by the Town Council, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No recourse under or upon any statement, obligation, covenant, or agreement contained in this Resolution, or in any Bond hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Town, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitutional provision or statute or otherwise or under any circumstances, shall be had against any member of the Town Council, or any officer or employee or agent of the Town, as such, either directly or through the Town or otherwise, for the payment for or to the Town or any receiver thereof, or for or to any Holder or otherwise, of any sum that may be due and unpaid upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member of the Town Council, or any officer or employee or agent of the Town, as such, to respond by reason of any act or omission on his/her part or otherwise, for the payment for or to the Town or any receiver thereof, or for or to any Holder or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Resolution and the issuance of any Series of Bonds.

Section 1302. Manner of Giving Notice. Any notice, demand, direction, request or other instrument authorized or required by this Resolution to be given to or filed with the Town shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when sent by registered mail, return receipt requested, to the Town at:

Town of Miami Lakes, Florida
6601 Main Street
Miami Lakes, Florida 33014
Attention: Director of Finance

All documents received by the Town and the Town Council under the provisions of this Resolution shall be retained in their possession, subject at all reasonable times to the inspection of the Town, any Bondholder, and the agents and representatives thereof.

Section 1303. Successorship of Town Officers. In the event that the offices of Mayor, Town Manager, Town Clerk, Finance Director or Town Attorney shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his or her office by reason of sickness, absence from the Town or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the person designated by the Town Council to act in such officer's place or by, if applicable, the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

Section 1304. Substitute Publication. If, because of the temporary or permanent suspension of publication of any Daily Newspaper or financial journal or for any other reason, the Finance Director or the Town shall be unable to publish in a Daily Newspaper or financial journal any notice required to be published by any provision of this Resolution, the Town shall give such notice in such other manner as in its judgment shall most effectively approximate such publication, and the giving of such notice in such manner, for all purposes of this Resolution shall be deemed to be in compliance with the requirement for the publication thereof.

Section 1305. Inconsistent Resolutions. All resolutions and parts thereof which are inconsistent with any of the provisions of this Resolution are hereby declared to be inapplicable to the provisions of this Resolution.

Section 1306. Further Acts. The officers and agents of the Town are hereby authorized and directed to do all the acts and things required of them by the Bonds and this Resolution, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Resolution, including, without limitation, the execution and delivery of any and all documents, instruments and certificates which they deem necessary or advisable in order to consummate the issuance of any Series of Bonds under this Resolution.

Section 1307. Headings Not Part of Resolution. Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

Section 1308. Beneficiaries under Resolution. 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 Town, the Holders of the Bonds issued under and secured by this Resolution and the provider of any Credit Facility or Liquidity Facility, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provisions hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Town and the Holders from time to time of the Bonds issued hereunder and the provider of any Credit Facility or Liquidity Facility.

Section 1309. Effect of Partial Invalidity. 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 1310. Resolution Effective. This Resolution shall be effective immediately upon its adoption.

The foregoing Resolution was offered by Councilmember _____, who moved for its adoption. The motion was seconded by Councilmember _____ and upon being put to a vote, the vote was as follows:

Mayor Manny Cid	_____
Vice Mayor Luis Collazo	_____
Councilmember Carlos O. Alvarez	_____
Councilmember Josh Dieguez	_____
Councilmember Tony Fernandez	_____
Councilmember Jeffrey Rodriguez	_____
Councilmember Marilyn Ruano	_____

PASSED AND ADOPTED on this 13th day of July, 2021.

EXHIBIT A
THE SERIES 2021 PROJECT

The Series 2021 Project consists of the design, acquisition, construction, demolition, improvement, upgrade, renovation and equipping of certain Improvements to the Town's Stormwater Utility System, as follows:

The Series 2021 Project includes the design, permitting, and construction of new drainage systems consisting of French drains, manholes, catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment. These systems will connect with existing drainage infrastructure to improve the level of service. The Series 2021 Project also includes restoration, asphalt milling and resurfacing, and pavement markings throughout the project area.

NW 153rd Terrace Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 1,700 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

West Lakes Gardens Second Addition Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 2,200 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Alameda Northwest Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 1,400 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

West Lakes Gardens Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 4,800 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Royal Oaks Sixth Addition Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 1,750 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Royal Oaks Eight Addition Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 1,300 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Francesca/Mary Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 2,000 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Royal Lakes First Addition Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 420 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

NW 159th Terrace Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 800 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

NW 166th Street Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 700 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

NW 83rd Place North Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 170 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Loch Lomond Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 1,990 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Commerce Way Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 900 linear feet of new French drains connected to manholes and curb inlets with pollution retardant baffles, and a 36" outfall to mitigate flooding and provide water quality and quantity treatment.

Canal Bank Stabilization Phase 3

This project includes the design, permitting, and construction of approximately 1,600 linear feet stacked canal bank stabilization system along the south side of the Golden Glades Canal bank to protect the canal bank from further erosion and maintain a safe and effective canal system.

West Lakes Garden First Addition Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 1,200 linear feet of new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

Genesis Oaks Gardens Drainage Improvements

This project includes the design, permitting, and construction of drainage system consisting of approximately 3,200 linear feet of the new French drains connected to manholes and catch basins with pollution retardant baffles to mitigate flooding and provide water quality and quantity treatment.

The foregoing notwithstanding, the Town Council, in its sole discretion, may modify or amend all or any portion of the Improvements to the Stormwater Utility System described above comprising the Series 2021 Project or any component thereof, to (1) delete one or more of such Improvements or any component thereof, if the Town determines such Improvement is not feasible or is otherwise not in the best interests of the Town to pursue or (2) substitute or modify one or more of such Improvements with any other Improvements to the Stormwater Utility System, if the Town determines such substitution or modification better serves Town purposes; provided the modified or substituted Improvement is eligible to be financed with proceeds of tax-exempt obligations such as the Series 2021 Bonds.

EXHIBIT B

FORM OF STORMWATER UTILITY SYSTEM REVENUE BOND

No. R-____ \$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
TOWN OF MIAMI LAKES
STORMWATER UTILITY SYSTEM REVENUE BOND
SERIES _____

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Date of Original Issuance</u>	<u>CUSIP NUMBER</u>
September 1, _____	_____ %	_____, ____	_____

The Town of Miami Lakes, Florida (herein called the "Town"), a municipal corporation in Miami-Dade County, Florida, duly organized and operating under the Constitution and laws of the State of Florida, is justly indebted and for value received hereby promises to pay to the registered holder shown above or to the registered assigns or legal representative thereof on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the designated office of _____, as registrar for the Bonds (the "Bond Registrar"), the principal sum shown above, and to pay to the registered owner hereof, by check or draft mailed to the registered owner at such registered owner's address as it appears on the bond registration books of the Town maintained by the Bond Registrar, or by wire transfer to the registered owner of at least \$1,000,000 principal amount of the Bonds, interest on such principal sum from the date hereof or from the March 1 or September 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a March 1 or September 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on March 1 and September 1 in each year, commencing _____ 1, _____, at the rate per annum specified above, until payment of such principal sum. The interest so payable and punctually paid, or duly provided for, on any interest payment date will be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered holder on such Regular Record Date, and may be paid to the person in whose name this bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Bond Registrar, notice whereof being given to the holders not less than ten (10) days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Resolution under which this Bond is issued hereinafter mentioned or by wire transfer as mentioned above. Such payment of interest shall be by check mailed to the holder at such holder's address as it appears on the bond registration books of the Town maintained by the Bond Registrar.

All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This bond shall not be deemed to constitute an indebtedness of the Town, the County, the State or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation and the Town, the County, the State or any political subdivision thereof is not obligated to pay the principal of, the premium, if any, or the interest on this bond except for the Town's obligation to pay the same from the special fund and the Pledged Funds therein) hereinafter mentioned, and the faith and credit of the Town, the County, the State or any political subdivision thereof are not pledged to the payment of the principal of, the premium, if any, or the interest on this bond. The issuance of this bond shall not directly, indirectly or contingently obligate the Town, the County, the State or any political subdivision thereof to levy or to pledge any taxes whatever therefor or to make any appropriation for the payment of the principal of, the premium, if any, or the interest on this bond except as provided in the hereinafter described Resolution.

This bond is one of a series of bonds designated Town of Miami Lakes, Florida "Stormwater Utility System Revenue Bonds, Series ____" and issued by the Town for the purpose of providing funds, with any other available funds, to [describe purpose for which series of Bonds is being issued]. This bond is issued under and pursuant to [Ordinance No. 21-279 enacted by the Town Council of the Town (the "Town Council") on June 8, 2021 and Resolution No. 21-____, adopted by the Town Council on July 13, 2021] (collectively, the "Bond Resolution"). **[Refer to Series Resolution for additional Series of Bonds]**

The bonds of this series consist of bonds maturing on September 1, of the years ____ to ____, inclusive, and September 1, ____.

The bonds of this series maturing on or prior to September 1, ____ are not subject to redemption prior to maturity. The bonds of this series at the time outstanding which mature on and after September 1, ____ may be redeemed prior to their respective maturities, at the option of the Town, from any moneys that may be made available for such purpose, in whole or in part, on any date not earlier than September 1, ____, in any order of maturity selected by the Town and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the bonds being redeemed, plus accrued interest to the redemption date. [May be revised in applicable Series Resolution].

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds of this series to be redeemed shall be selected by lot or as otherwise provided in the Resolution.

At least thirty (30), but not more than sixty (60) days before the redemption date of any bonds of this series to be redeemed, whether such redemption be in whole or in part, the Town shall cause a notice of such redemption to be filed with the Bond Registrar, mailed, first class postage prepaid, to all registered owners of bonds to be redeemed in whole or in part at their last addresses appearing upon the registration books of the Town. The failure to mail such notice shall not affect the validity of such redemption. On the date fixed for redemption, notice having been given as aforesaid, the bonds or portions thereof so called for redemption shall be due and payable

at the redemption price provided for the redemption of such bonds or portion thereof and, if moneys for payment of such redemption price and the accrued interest are held by the Paying Agent or any appropriate fiduciary institution acting as escrow agent, as provided in the Resolution, interest on the bonds of this series or the portions thereof so called for redemption shall cease to accrue. If a portion of this bond shall be called for redemption a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or his legal representative upon the surrender hereof. The Resolution authorizes the Town to give a conditional notice of redemption pursuant to which the Town retains the right to rescind such notice on or prior to the scheduled redemption date upon the occurrence or non-occurrence of a particular event as described in such conditional notice of redemption.

The holder of this bond shall have no right to enforce the provisions of the Resolution, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Resolution. Neither this bond or the series of bonds of which this bond is a part, nor any other form of indebtedness secured by the Resolution, shall be subject to acceleration.

Modifications or alterations of the Resolution or of any resolution supplemental thereto may be made only to the extent and in the circumstances permitted by the Resolution.

The bonds of this series are issuable as fully registered bonds in authorized denominations of \$5,000 or any whole multiple thereof. At the designated office of the Bond Registrar, in the manner and subject to certain conditions provided in the Resolution, bonds of this series may be exchanged for an equal aggregate principal amount of bonds of the same maturity, or authorized denomination and bearing interest at the same rate.

The Bond Registrar is required to keep at its designated office the books of the Town for the registration of and for the registration of transfers of bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment fully executed by the registered owner hereof or such registered owner's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new bond or bonds, registered in the name of the transferee, of authorized denominations, and in aggregate principal amount equal to the principal amount of this bond so transferred, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register any transfer of this bond during the fifteen (15) days immediately preceding the date of mailing of a notice of redemption or after this bond or any portion thereof has been selected for redemption.

This bond is issued and the Resolution was adopted under and pursuant to the Constitution and the laws of the State and the Town Charter of the Town. The Resolution provides for the creation of a special account designated "Stormwater Utility System Revenue Bonds Sinking Fund Account," which account is pledged to and charged with the payment of the principal of, premium, if any, and the interest on all bonds issued and outstanding under the Resolution, and the Town has covenanted in the Resolution to deposit to the credit of said special account a sufficient amount

of the Net Revenues (as defined in the Resolution) of the Town's Stormwater Utility System to provide for the payment of the principal of, premium, if any, and interest on the bonds issued under the provisions of the Resolution as the same shall become due and, to the extent provided in the Resolution, to create a reserve for such purpose.

All acts, conditions and things required by the Constitution and laws of the State and the ordinances and resolutions of the Town to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed as so required.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Town of Miami Lakes, Florida, by resolution duly adopted by its Town Council, has caused this bond to be issued and to bear the signature of its Mayor and to bear the signature of its Town Clerk and the official seal of the Town to be imprinted hereon.

Mayor

[SEAL]

ATTEST:

Town Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds of the series designated herein and issued under the provisions of the Resolution.

[_____] ,
as Bond Registrar

By: _____
Authorized Officer

Date of authentication: _____

ASSIGNMENT

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

(please print or typewrite name and address of transferee)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept
for registration thereof, with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed:

NOTICE: Signatures must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or such other guarantee program acceptable to the Bond Registrar.

FORM OF ABBREVIATIONS FOR BONDS

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

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

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

EXHIBIT C

FORM OF PAYING AGENT AND BOND REGISTRAR AGREEMENT

EXHIBIT D
FORM OF BOND PURCHASE CONTRACT

EXHIBIT E
FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT F

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

SCHEDULE A

ESTIMATED COSTS OF ISSUANCE

ACTIVE 56027544v7