

TOWN OF LONGBOAT KEY,  
FLORIDA, a municipal corporation of the  
State of Florida,

Plaintiff,

vs.

STATE OF FLORIDA, and the  
Taxpayers, Property Owners and Citizens  
of the Town of Longboat Key, Florida,  
including non-residents owning property  
or subject to taxation therein, and all  
others having or claiming any right, title  
or interest in property to be affected by  
the issuance of the Bonds herein described  
or to be affected in any way thereby,

Defendants.

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IN THE CIRCUIT COURT OF THE  
TWELFTH JUDICIAL CIRCUIT OF  
THE STATE OF FLORIDA, IN AND  
FOR SARASOTA COUNTY,  
FLORIDA,  
GENERAL CIVIL DIVISION

CASE NO.: 2016-CA-222 NC

VALIDATION OF THE NOT TO  
EXCEED \$25,250,000 SPECIAL  
ASSESSMENT REVENUE BONDS,  
SERIES 2016 (GULF OF MEXICO  
DRIVE UNDERGROUNDING  
PROJECT)

RECORDED IN OFFICIAL RECORDS  
INSTRUMENT # 2016037414 28 PG(S)

3/30/2016 10:58 AM

KAREN E. RUSHING

CLERK OF THE CIRCUIT COURT  
SARASOTA COUNTY, FLORIDA

CIVIL COURTS

Receipt # 1967346

**FINAL JUDGMENT**

The above and foregoing cause has come to final hearing on March 24, 2016 at the time and place set forth in the Order to Show Cause heretofore issued by this Court on the Complaint for Validation filed by the Town of Longboat Key, Florida (the "Town") against the State of Florida, and the Taxpayers, Property Owners and Citizens of the Town of Longboat Key, Florida, including non-residents owning property or subject to taxation therein, and all others having or claiming any right, title, or interest in property to be affected by the Town's issuance of its not to exceed \$25,250,000 Special Assessment Revenue Bonds, Series 2016 (Gulf of Mexico Drive Undergrounding

Project), for purposes of financing the design, demolition, acquisition, equipping and construction of capital improvements associated with the undergrounding of electrical, communications, fiber optics, and other utilities and installation of street lighting relating to Gulf of Mexico Drive, and the related imposition of special assessments which will be pledged to the payment thereof together with other legally available non-ad valorem revenues of the Town budgeted, appropriated and deposited in the manner and to the extent described in the hereinafter defined Bond Resolution, or to be affected in any way thereby, and said cause having duly come on for final hearing, and the Court having considered the same and heard the evidence and being fully advised in the premises, finds as follows:

FIRST. This Court has jurisdiction over this validation pursuant to Section 75.01, Florida Statutes.

SECOND. Plaintiff is a municipal corporation of the State of Florida located in Manatee County and Sarasota County.

THIRD. The Town is authorized by Article VIII, Section 2 of the Florida Constitution, Chapter 166, Florida Statutes and other applicable provisions of law, and by the Town's municipal charter (the "Town Charter") to construct capital improvements, to finance the costs associated with such capital improvements through the issuance of revenue bonds, and to impose special assessments, sometimes referred to as non-ad valorem assessments, upon real property benefitted by the capital

improvements to pay all or some portion of the annual principal and interest payments associated with such revenue bonds. A copy of the Town Charter was admitted into evidence.

FOURTH. Article I, Section 5(b) of the Town Charter provides that "[n]o revenue bonds as defined by State law shall be issued by the town or any public entity controlled by the town without approval at a referendum held in the manner prescribed by law."

FIFTH. The Town Commission enacted Ordinance 2015-21 on June 29, 2015 (the "Referendum Ordinance"), which authorized the issuance of revenue bonds and/or notes in an amount not to exceed \$25,250,000 (the "Bonds"), subject to approval by referendum, to finance the costs associated with undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting relating to Gulf of Mexico Drive within the Town (the "Project") and pay issuance expenses in connection with the sale thereof. A copy of the Referendum Ordinance including affidavit of publication was admitted into evidence.

SIXTH. The Referendum Ordinance provides that the Bonds shall be limited obligations of the Town payable solely from non-ad valorem special assessments imposed against real property throughout the Town specially benefitted by the Project (the "Assessments") and other non-ad valorem revenues if necessary.

SEVENTH. The Referendum Ordinance called a bond referendum which was held on Tuesday, November 3, 2015, in conjunction with the general election, to determine whether the issuance of the Bonds should be approved by the qualified electors of the Town to finance the cost of the design, acquisition, construction, relocation and installation of the Project.

EIGHTH. The Referendum Ordinance approved the following form of the ballot for voting in the bond referendum:

**Official Ballot  
Town Of Longboat Key, Florida  
Bond Referendum Election  
November 3, 2015**

**APPROVING REVENUE BONDS/NOTES TO FINANCE  
UNDERGROUNDING UTILITIES/STREET LIGHTING ALONG  
GULF OF MEXICO DRIVE**

Shall Town of Longboat Key be authorized to issue revenue bonds/notes, in one or more series, not exceeding \$25,250,000.00, bearing interest not exceeding maximum legal rates, maturing not beyond 30 years from issuance, to finance undergrounding electrical, communications, fiber optics and other utilities and installation of street lighting relating to Gulf of Mexico Drive, payable solely from special assessments imposed against real property throughout the Town and other non-ad valorem revenues if necessary?

\_\_\_\_\_ Yes - For Bonds/Notes  
\_\_\_\_\_ No - Against Bonds/Notes

NINTH. Section 100.342, Florida Statutes, requires at least 30 days' notice of a bond referendum by publication in a newspaper of general circulation in the Town, with publication at least twice, once in the fifth week and once in the third week prior to the week in which the election is to be held. In accordance therewith, the Town published notice of the bond referendum on September 29, 2015 and October 13, 2015,

in both the Sarasota Herald Tribune and the Bradenton Herald. Copies of the publishers' affidavits regarding publication of such notices were admitted into evidence.

TENTH. The bond referendum was conducted on November 3, 2015 by the Manatee County Supervisor of Elections and Sarasota County Supervisor of Elections, respectively, wherein a total of 2,234 votes were cast by the Town's qualified electors, with 1,399 (62.62%) voting in favor of issuance of the Bonds. Copies of the canvassing certificates for the bond referendum executed by the respective Supervisors of Elections were admitted into evidence.

ELEVENTH. On December 7, 2015, the Town Commission lawfully enacted Ordinance 2015-30 (the "Assessment Ordinance"), a copy of which was admitted into evidence. The Assessment Ordinance was enacted pursuant to Article VIII, Section 2 of the Florida Constitution and Section 166.021, Florida Statutes, which provide that municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions and render municipal services, and may exercise any power for municipal purposes except when expressly prohibited by law, and that such powers may be exercised by the enactment of legislation in the form of ordinances.

TWELFTH. The Town Commission enacted the Assessment Ordinance to establish a home rule process and procedure by which the Town may levy special

assessments to fund essential services and capital improvements such as the Project. Neither the Town Charter, the Assessment Ordinance nor Florida law require referendum approval for the levy of special assessments.

THIRTEENTH. As set forth in the Assessment Ordinance, the procedure for levying special assessments to fund a given capital improvement or essential service involves adoption of an initial assessment resolution which describes the improvements to be funded by the special assessments and the proposed method of apportioning the cost of such improvements among benefitted property, directs the preparation of an assessment roll describing properties subject to the special assessment and the amount thereof, schedules a public hearing at which to consider the improvements and the special assessment, and directs notice of such public hearing through publication and mailing to affected landowners. At the conclusion of the public hearing, the Town Commission, if so inclined after receiving written objections and hearing testimony of interested persons, adopts a final assessment resolution which ratifies, confirms or modifies the initial assessment resolution, approves the assessment roll, imposes the special assessment and provides for collection thereof.

FOURTEENTH. At its public meeting conducted on December 7, 2015, the Town Commission received and considered a report entitled "Underground Utility Assessment Methodology Gulf of Mexico Drive Project Final Report" dated December 2015 (including any final drafts or supplements thereto, the "Assessment Report")

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prepared by Willdan Financial Services. A copy of the Assessment Report was admitted into evidence.

FIFTEENTH. The Assessment Report set forth a methodology (the "EBU Methodology") developed by Willdan Financial Services and the professional engineering firm of Brannon & Gillespie LLC for apportioning the Assessments among real property specially benefitted by the Project (the "Assessed Property") premised upon "Equivalent Benefit Units" ("EBUs"), and described the safety, reliability and aesthetic benefits conveyed by the Project.

SIXTEENTH. The EBU Methodology described in the Assessment Report apportions the benefits and costs of the Project by first dividing the project cost of \$25,250,000 into equal thirds, with one third of the project cost (\$8,340,507.54) attributed to each of the three primary benefit categories (safety, reliability and aesthetics). The dollar amount in each category is then allocated among Assessed Property according to the number of Equivalent Benefit Units associated with each parcel of real property subject to the Assessment (each, a "Tax Parcel"), in accordance with the criteria and calculations set forth in the Assessment Report.

SEVENTEENTH. The Assessment Report specified the rate of assessment per EBU for each benefit category and for onsite improvements necessary for connection to the improvements, described application of the EBU Methodology for parcels with special or unusual characteristics such as golf courses, parcels on Jewfish Key, and boat

storage condominiums, and listed various parcel types exempted from the assessment program including rights of way, public easements, government properties and those parcels exempt from the payment of ad valorem taxes under state or federal law.

EIGHTEENTH. The EBU Methodology described in the Assessment Report is substantially similar to the apportionment methodology developed by Willdan Financial Services on behalf of the Town of Palm Beach, Florida, the Town of Gulf Stream, Florida and the Town of Jupiter Inlet Colony, Florida, for utility undergrounding projects undertaken by those municipalities. The authority of the Towns of Gulf Stream and Jupiter Inlet Colony to issue revenue bonds secured by special assessments apportioned according to such methodology was validated by the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, in Case Nos. 2011-CA-010894 and 2011-CA-001259, respectively.

NINETEENTH. At its December 7, 2015 meeting, pursuant to the Assessment Ordinance and other applicable provisions of law, and by virtue of the authority thereof, the Town Commission lawfully adopted Resolution 2015-30 (the "Initial Assessment Resolution"), a copy of which was admitted into evidence.

TWENTIETH. The Initial Assessment Resolution, among other things, described the "Undergrounding Improvements" and "Onsite Improvements" comprising the Project, adopted the EBU Methodology described in the Assessment Report as the method of apportioning the costs of the Project among Assessed Property,

and scheduled a public hearing for January 4, 2016 in order to receive comments regarding the Project and Assessments from affected landowners.

TWENTY-FIRST. The Initial Assessment Resolution also directed the mailing and publication of notice of such public hearing in accordance with the requirements of the Assessment Ordinance, and included the following legislative findings of the Town Commission:

(A) The undergrounding of utilities, including removal of utility poles and overhead lines, provides safety benefits to Assessed Property by reducing the potential for (1) downed power lines during storm and natural disaster events, (2) the hazardous conditions associated with downed power lines and exposure of live electric lines, and (3) restricted ingress and egress to and from Assessed Property by the owners thereof and emergency responders.

(B) The undergrounding of overhead facilities also improves the reliability of utility services by substantially reducing the frequency of outages when compared with overhead networks, and the installation of new and upgraded utility lines, cables, and appurtenant facilities provides a higher level of reliability of utility services for Assessed Property and reduces exposure to the elements that could cause

potential damage and speed deterioration to facilities resulting in service interruptions.

(C) In addition to safety and reliability benefits provided by undergrounding utilities, removing the overhead facilities and utility poles creates an inviting, visually pleasing and scenic pathway for ingress and egress to Assessed Property, eliminates the radical line trimming of trees which frequently results in an unsightly and unnatural appearance and improves the overall aesthetics for Assessed Property.

(D) Street lighting improvements provide beautification, better property identification and recognition, and enhanced safety and accessibility to real property, as well as preserving and/or enhancing the value, marketability and enjoyment of property through the provision of uniform street lighting services.

(E) The installation of fiber optics facilities enhances the value, marketability and enjoyment of real property through the availability of and potential for enhanced telecommunication systems, cost-efficient service delivery, increased reliability and minimized potential for service disruption afforded by state of the art communication links between offices, lift stations, pump stations, security cameras, monitoring stations and county emergency management facilities.

(F) FP&L plans to replace existing overhead power poles serving or otherwise necessary for the provision of service to Gulf of Mexico Drive with new, expensive, larger, and stronger power poles to fortify, or harden, them against tropical storm force winds, thereby significantly increasing the Town's cost to underground the subject utilities at a future date after such replacement has occurred.

(G) By undertaking the Project at this time, the Town can maximize the financial assistance available for the Project through a reduction of up to 25% of the otherwise required contribution in aid of construction payable to FP&L.

(H) On November 3, 2015, a majority of the qualified electors of the Town cast votes in favor of a bond referendum which authorized the Town to issue revenue bonds/notes, in one or more series, not exceeding \$25,250,000 to finance the Project.

(I) The Town is authorized by Article VIII, Section 2 of the State Constitution, Section 166.021, Florida Statutes, the Assessment Ordinance, the Uniform Assessment Collection Act, and other applicable provisions of law, to provide for the imposition and collection of charges in the form of Assessments.

(J) The Assessment Ordinance provides the procedure for establishing assessment areas within which the Town may impose and collect Assessments to finance Capital Improvements such as the Undergrounding Improvements and Onsite Improvements.

(K) The Project will convey special benefits to Assessed Property in addition to improved safety, improved reliability and improved aesthetics, including but not limited to heightened use, enjoyment and marketability, and an increase in market value.

(L) Apportioning the costs associated with the Project according to Equivalent Benefit Units is a fair and reasonable method of allocation which measures the proportional benefit conveyed to each parcel of Assessed Property.

(M) The Assessment Report has been considered by the Town Commission in adopting this Resolution. The apportionment methodology described in the Assessment Report and based upon Equivalent Benefit Units is reasonable and equitable, and will continue to be so as properties within the Town develop and change; and it is also manageable and capable of being fairly implemented from year to year without wasteful or extraordinary consumption of resources.

(N) The apportionment method described in the Assessment Report and adopted in Section 3.03 hereof bears a reasonable relationship to the cost of providing the Undergrounding Improvements and Onsite Improvements.

(O) The Assessments to be imposed in accordance with this Resolution provide an equitable method of funding the Project by fairly and reasonably allocating the costs associated therewith among specially benefited property.

TWENTY-SECOND. At the conclusion of the January 4, 2016 public hearing held pursuant to the Initial Assessment Resolution, pursuant to the Assessment Ordinance and other applicable provisions of law, and by virtue of the authority thereof, the Town Commission properly and lawfully adopted Resolution 2016-03 (the "Final Assessment Resolution," and together with the Initial Assessment Resolution, the "Assessment Resolutions"). A copy of the Final Assessment Resolution was admitted into evidence.

TWENTY-THIRD. In the Final Assessment Resolution, the Town Commission further ascertained, determined and declared as follows:

(A) On December 7, 2015, the Town Commission adopted the Initial Assessment Resolution, proposing the construction and funding of the Undergrounding Improvements and Onsite Improvements

comprising the Project, describing the method of assessing the cost of such improvements against the real property that will be specifically benefited thereby, establishing a public hearing to consider imposition of the proposed assessments, and directing preparation of the preliminary Assessment Roll and provision of the notices required by the Assessment Ordinance.

(B) Pursuant to Section 2.07 of the Assessment Ordinance, the Town Commission is required to repeal or confirm the Initial Assessment Resolution, with such amendments as the Town Commission deems appropriate, after hearing concerns and receiving comments or objections of interested parties.

(C) The Assessment Roll has heretofore been filed at the offices of the Town Clerk, 501 Bay Isles Drive, Longboat Key, Florida, and made available for public inspection.

(D) As required by the terms of the Initial Assessment Resolution, notice of a public hearing has been published and mailed to each property owner proposed to be assessed notifying such property owner of the opportunity to be heard; the proof of publication and an affidavit of mailing have been received in evidence.

(E) A public hearing has been duly held and comments and objections of all interested persons have been heard and considered as required by law.

(F) The Town Commission has carefully considered the Assessment Report, including the final version thereof (Rev. January 2016), a copy of which is on file in the offices of the Town Clerk and incorporated herein, which describes the special benefits conveyed by the Project to Assessed Property and sets forth the apportionment methodology used by the Town to create the Assessment Roll. The Assessment Report and the apportionment methodology described therein is ratified and confirmed as the method utilized by the Town for allocating the costs and benefits of the Project among specially benefitted property.

(G) The Assessments imposed pursuant to this Resolution will be imposed by the Town Commission, not the Property Appraiser or Tax Collector. Any activity of the Property Appraiser or Tax Collector under the provisions of this Resolution shall be construed solely as ministerial.

(H) The benefits derived from the Undergrounding Improvements and Onsite Improvements equal or exceed the amount of

the Assessments levied and imposed hereunder. Each Tax Parcel included on the Assessment Roll is hereby determined to specially benefit from the Project in an amount equal to or in excess of the amount of the Assessment included for such parcel in the Assessment Roll. The Assessment for any Tax Parcel included on the Assessment Roll does not exceed the proportional benefits that such Tax Parcel will receive compared to any other Tax Parcel included on such roll.

(I) The Town Commission hereby finds and determines that the Assessments to be imposed in accordance with this Resolution provide an equitable method of funding the Project by fairly and reasonably allocating the costs and benefits thereof among specially benefited property.

TWENTY-FOURTH. The Assessment Resolutions imposed the Assessments against real property benefited by the Project; approved, adopted and incorporated the Assessment Report; established the amount of the Assessments and the maximum annual rate of Assessment; approved and adopted the Assessment Roll for the Project; and provided that unless prepaid, the Assessments shall be collected in not more than thirty (30) annual installments pursuant to the tax bill collection method authorized by section 197.3632, Florida Statutes (the "Uniform Assessment Collection Act").

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TWENTY-FIFTH. Resolution 2015-31, a copy of which was admitted into evidence, also states the Town's intent to collect the Assessments imposed to fund the Project on the annual ad valorem tax bill, in accordance with Section 197.3632(3) of the Uniform Assessment Collection Act.

TWENTY-SIXTH. The Assessment Resolutions and the Assessment Ordinance provide that the Assessments constitute a lien against assessed property equal in rank and dignity with the liens of all state, county, Town or municipal taxes and other non-ad valorem assessments and that, except as otherwise provided by law, such lien shall be superior in dignity to all other liens, titles and claims until paid.

TWENTY-SEVENTH. The Town Commission addressed and considered the nature and scope of the Project and the funding thereof through imposition and collection of the Assessments during numerous public meetings and hearings including those conducted on June 15, 2015, June 29, 2015, November 9, 2015, December 7, 2015, December 14, 2015 and January 4, 2016, and during the course of which received information and presentations from Town staff and consultants engaged to assist with development and implementation of the Project and the financing thereof through the issuance of bonds secured by the Assessments. The information considered by the Town Commission in imposing the Assessments included, inter alia, the Assessment Report describing the safety, reliability and aesthetic benefits conveyed by the Project and the EBU Methodology, presentations by Town staff and construction cost estimates

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provided by Brannon & Gillespie LLC as the Town's consulting engineer for the Project. Copies of such evidentiary documents, all of which are included in the record of the January 4, 2016 public hearing, were admitted into evidence. In addition, the Town Commission considered the individual knowledge of the Town Commission members and public comment. Therefore, competent, substantial evidence exists to support the legislative findings and determinations of the Town Commission, including those related to the special benefits conveyed by the Project and the fairness and reasonableness of the EBU Methodology, as provided in the Assessment Resolutions.

TWENTY-EIGHTH. Pursuant to the Assessment Ordinance and the Final Assessment Resolution, the adoption of the Final Assessment Resolution was the final adjudication of the issues presented therein (including, but not limited to, the special benefits conveyed by the Project, the method by which the Assessments are computed, the Assessment Roll, the maximum annual Assessment, the levy and lien of the Assessments and the terms for prepayment of the Assessments), unless proper steps were initiated in a court of competent jurisdiction to secure relief within twenty (20) days from the date of Town Commission's adoption of the Final Assessment Resolution. No party filed suit or sought relief within the limitations established in the Assessment Ordinance and Final Assessment Resolution, and any such action challenging the assessments is now barred.

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TWENTY-NINTH. Section 2.14 of the Assessment Ordinance provides a mechanism for the correction of errors or omissions related to the Assessments, and Section 2.14(A) thereof provides that no act of error or omission on the part of the Town Commission, the Assessment Coordinator (defined therein as the Town Manager or such person's designee), the Property Appraiser, Tax Collector, or their deputies or employees, shall operate to release or discharge any obligation for payment of any Assessment imposed by the Town Commission under the provisions of the Assessment Ordinance. Such provision represents a valid exercise of home rule power by the Town.

THIRTIETH. Section 2.14(B) of the Assessment Ordinance provides a mechanism pursuant to which the number of EBUs attributed to a parcel may be corrected at any time by the Assessment Coordinator, including upon presentation of competent substantial evidence by the owner of such parcel. Any such correction which increases an Assessment or imposes an Assessment upon omitted property shall first require notice to and opportunity to be heard before the Town Commission by the affected property owner. Such provision represents a valid exercise of home rule power by the Town and ensures appropriate redress and due process for owners of Tax Parcels which are affected by an omission of such parcels from the Assessment Roll or an error in calculation of the Assessment attributed to their property.

THIRTY-FIRST. The Assessment Ordinance and the Assessment Report describe the procedure for annual administration and updating of the Assessment Roll

through adoption of an "Annual Assessment Resolution" to reflect the then-current principal balance of the Assessment due from each parcel (which balance is reduced after each annual payment), and to reflect the removal or addition of parcels to the roll which occur over time. Parcels may be removed from the roll at any time if the owner thereof voluntarily prepays the balance of the Assessment in full in order to avoid interest and financing costs, in accordance with the terms of the Assessment Resolutions.

THIRTY-SECOND. Parcels may be added to the Assessment Roll, and additional EBUs may be attributed to parcels previously included in the roll, under various circumstances which may include inadvertent exclusion or omission, development of a parcel to a greater intensity warranting the assignment of additional EBUs, changes in use or ownership for parcels previously exempt or immune from payment of the Assessments, and changes in law or imposition of a court order that would allow or require the imposition of Assessments previously determined to be exempt or immune.

THIRTY-THIRD. The Assessment Ordinance and Assessment Report provide that if an Assessment is imposed against a Tax Parcel not previously subject thereto or the Assessment for a given parcel is increased above the previously-noticed amount, the Town must give mailed notice and a public hearing opportunity for the owners of such parcels prior to adopting the Annual Assessment Resolution, and the proceeds resulting from the additional assessment revenue must be applied toward costs of the Project

including without limitation payment of debt service on the Bonds. Such provisions represent a valid exercise of home rule power by the Town and ensure appropriate due process for owners of Tax Parcels which are assessed for the first time or which face an increase in the Assessment above the previously-noticed amount.

THIRTY-FOURTH. The Assessment Resolutions express the intent of the Town Commission that the Assessments shall fund all or substantially all of the costs and expenses attributable to the Project, and lawfully provide that in the event the costs of the Project are less than the amounts approved thereunder, either as a result of construction or financing cost savings or any other factor, and/or Tax Parcels are subsequently developed or re-developed resulting in additional EBUs and Assessment revenues, then such cost savings and additional revenues shall be used for reducing the amount the Town would have otherwise been required to contribute toward the Project, if any, from its legally available funds other than proceeds of the Assessments, reimbursing the Town for any prior expenditures made in furtherance of the Project, repaying the Bonds, paying costs and expenses properly attributable to the Project, or any other lawful purpose.

THIRTY-FIFTH. Pursuant to the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Town Charter, the Referendum Ordinance, the Assessment Ordinance, and other applicable provisions of law and by virtue of the authority thereof, the Town Commission did on January 4, 2016, properly and lawfully adopt

Resolution 2016-01 (the "Bond Resolution"), a copy of which was admitted into evidence.

THIRTY-SIXTH. The Bond Resolution authorized issuance of the Town's not to exceed \$25,250,000 Special Assessment Revenue Bonds, Series 2016 (Gulf of Mexico Drive Undergrounding Project), for the purpose of financing, refinancing and/or reimbursing the costs associated with design, acquisition, construction and equipping of the Project.

THIRTY-SEVENTH. Under and by virtue of the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Town Charter, the Referendum Ordinance, voter approval by the referendum conducted on November 3, 2015, the Assessment Ordinance and other applicable provisions of law and the Bond Resolution, the Town is authorized to issue the Bonds to finance the capital improvements comprising the Project and related expenses.

THIRTY-EIGHTH. The Bond Resolution provides that the Bonds shall be dated as of the date of delivery of the Bonds to the purchaser or purchasers thereof or such other date as may be set forth by Supplemental Resolution of the Town; shall be issued as fully registered Bonds; shall be numbered consecutively from one upward in order of maturity preceded by the letter "R"; shall be in such denominations and shall bear interest at a rate or rates not exceeding the maximum rate permitted by law, payable in such manner and on such dates; shall consist of such amounts of Serial Bonds and/or

Term Bonds; maturing in such amounts or Amortization Installments and in such years not exceeding thirty (30) years from their date; shall be payable in such place or places; shall have such Paying Agent and Registrar; and shall contain such redemption provisions; all as the Town shall provide hereafter by Supplemental Resolution. Capitalized terms not otherwise defined herein have the meanings assigned in the Bond Resolution.

THIRTY-NINTH. The Bond Resolution further provides that the Bonds shall be secured by the Assessments and by "Non-Ad Valorem Revenues" budgeted, appropriated and deposited by the Town to the extent that Assessments are insufficient to make payments of principal and interest on the Bonds as the same become due (together with the Assessments, the "Pledged Revenues"). "Non-Ad Valorem Revenues" are defined in the Bond Resolution as all revenues of the Town other than ad valorem taxes which are lawfully available to pay debt service on the Bonds.

FORTIETH. The Bond Resolution sets forth the terms and conditions applicable to the Town's covenant to budget, appropriate and deposit Non-Ad Valorem Revenues as additional security for the Bonds, including but not limited to the following: (i) the covenant and agreement to budget Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until all payments required for the Bonds have actually been paid, (ii) until such Non-Ad Valorem Revenues are budgeted and appropriated, the covenant does not create any lien upon or pledge of such Non-Ad

Valorem Revenues, nor does it preclude the Town from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Town to levy and collect any particular Non-Ad Valorem Revenues or to maintain or continue any of the activities of the Town which general service charges, regulatory fees or any Non-Ad Valorem Revenues, (iii) Non-Ad Valorem Revenues shall be payable solely as provided in the Bond Resolution and are subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town, and (iv) nothing in the Bond Resolution shall be deemed to pledge ad valorem tax power or ad valorem taxes or to permit or constitute a mortgage or lien upon any assets owned by the Town, and no holder of the Bonds nor any other person may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Town or the use or application of ad valorem tax revenues in order to satisfy any payment obligations thereunder.

FORTY-FIRST. The Bond Resolution states that the full faith and credit of the Town, the State of Florida, or any political subdivision thereof, are not pledged to the payment of the principal, redemption premium, if any, and interest on the Bonds and that the holders thereof shall never have the right to require or compel the exercise of any taxing power of the Town, the State of Florida, or any political subdivision thereof, to the payment of such principal, redemption premium, if any, or interest. The Bonds and the obligations evidenced thereby shall not constitute a lien upon any

property of the Town other than the Pledged Funds (as such term is defined in the Bond Resolution), and shall constitute a lien only on, and shall be payable solely from the Pledged Funds and a backup covenant to budget and appropriate Non-Ad Valorem Revenues, all in the manner and to the extent described in the Bond Resolution. The Bonds shall not be or constitute general obligations or indebtedness of the Town as "bonds" within the meaning of any constitutional or statutory provision.

FORTY-SECOND. The Bonds are of the character and the proceedings preliminary to the issuance thereof are of the nature so as to entitle Plaintiff herein to proceed under the provisions of Chapter 75, Florida Statutes.

FORTY-THIRD. Due and proper notice addressed to the State of Florida and the Taxpayers, Property Owners and Citizens of the Town of Longboat Key, Florida, including non-residents owning property or subject to taxation therein, and all others having or claiming any right, title, or interest in property to be affected by the Town's issuance of the Bonds to finance the Project, or to be affected in any way thereby, was given by publication of the Order to Show Cause in the Sarasota Herald Tribune, a newspaper of general circulation in Sarasota County published in Sarasota, Florida, and the Bradenton Herald, a newspaper of general circulation in Manatee County published in Bradenton, Florida, once each week for two consecutive weeks, the first such publication being not less than twenty (20) days prior to the date set for hearing, as required by section 75.06, Florida Statutes. A publisher's affidavit of each publisher,

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attesting to the due publication of the Order to Show Cause, was admitted into evidence.

FORTY-FOURTH. The Answer of the State Attorney for and on behalf of the State of Florida has been carefully considered by this Court. Such Answer shows no cause why the prayers of the Town should not be granted and discloses no irregularity or illegality in the proceedings set forth in the Complaint.

FORTY-FIFTH. No party has shown cause as to why the Bonds contemplated herein and all matters connected therewith should not be validated and the prayers set forth in Plaintiff's Complaint for Validation should not be granted. At this hearing, the Court heard statements from four concerned citizens. Three of the four citizens expressed disappointment or disagreement to the issues set forth in this complaint. Their concerns were genuine, however, there was no information presented by the citizens to show Plaintiff failed to comply with the Town Charter or the laws of the State of Florida.

FORTY-SIXTH. This Court finds that the Plaintiff has complied with the requirements of the Town Charter and the Constitution and laws of the State of Florida pertaining to the issuance of the Bonds, the imposition of the Assessments, the collection of the Assessments in annual installments pursuant to the Uniform Assessment Collection Act, and the pledge of the Assessments and any Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided in the Bond

Resolution to secure payment of the Bonds.

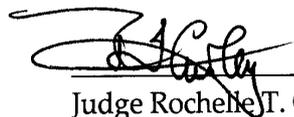
**NOW, THEREFORE, IT IS ORDERED AND ADJUDGED** that the Town's issuance of the Bonds in an aggregate principal amount not to exceed \$25,250,000, bearing interest payable in such manner and on such dates, at interest rates not exceeding the maximum rate permitted by law, as provided by resolution of the Town, is for proper and legal public purposes and is fully authorized by law, and that this Final Judgment validates and confirms the authority of the Town to issue the Bonds, to impose the Assessments to fund the Project, to apportion the Assessments in accordance with the EBU Methodology described in the Assessment Report and adopted by the Town Commission in the Assessment Resolutions, to collect the Assessments in annual installments for a period not to exceed thirty (30) years in accordance with the Uniform Assessment Collection Act, to provide that the lien of the Assessments is equal in rank and dignity with the lien of all state, county, Town and municipal taxes, to pledge such Assessments to secure payment of the Bonds and to additionally secure the Bonds with a backup covenant to budget, appropriate and deposit Non-Ad Valorem Revenues in the manner and to the extent provided in the Bond Resolution, and the legality of all proceedings in connection therewith.

There shall be stamped or written upon the Bonds a statement in substantially the following form:

"This Bond was one of a series of bonds which were validated by judgment of the Circuit Court for Sarasota County, Florida rendered on March 29, 2016."

Provided, however, that such statement or certificate shall not be affixed within thirty (30) days after the date of this judgment and unless no appeal be filed in this cause.

**DONE, ORDERED AND ADJUDGED** at the Judge Lynn N. Silvertooth Judicial Center, in Sarasota County, Florida, this 29 day of March, 2016.



Judge Rochelle T. Curley

Copies to:

Christopher B. Roe, B.C.S

Alan S. Zimmet, B.C.S.

Maggie D. Mooney-Portale, B.C.S., Town Attorney

Craig J. Schaeffer, Assistant State Attorney