

M E M O R A N D U M

DATE: September 17, 2014

TO: Town Commission

FROM: Dave Bullock, Town Manager

SUBJECT: Resolution 2014-28, General Obligation Refunding Bond, Series 2014

The Town issued General Obligation Notes in the amount of \$9,250,000 dated July 22, 2009 at an interest rate of 5.20% for various capital improvements to the Town's Water and Wastewater Utility System. While not legally required to, BB&T, as the Noteholder, has agreed to refinance a portion of such Notes in today's favorable interest rate market without a prepayment penalty, so long as it is the lender on the new loan. This agreement is consistent with the original intent of the parties to the 2009 loan.

BB&T is offering a fixed interest rate of 3.09% with final maturity of October 1, 2029. The preliminary net present value savings, after closing costs, is estimated at \$904,645 over fifteen (15) years. These savings will be achieved through an annual reduction in debt service payments of \$75,766 for fiscal year 2015 through 2029. Closing costs are estimated at \$60,500.

This item was presented at your September 15, 2014 Regular Workshop meeting for consideration. The Resolution was forwarded to the September 22, 2014 Special Meeting for formal action.

**FINANCING SCHEDULE
TOWN OF LONBOAT KEY
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014**

Financing Schedule
September 5, 2014

SEPTEMBER							OCTOBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	4
7	8	9	10	11	12	13	5	6	7	8	9	10	11
14	15	16	17	18	19	20	12	13	14	15	16	17	18
21	22	23	24	25	26	27	19	20	21	22	23	24	25
28	29	30					26	27	28	29	30	31	

<u>DATE</u>	<u>Bank</u>	<u>Responsibility</u>
September 5	Distribute Distribution List and Financing Schedule	PFM
September 10	Circulate 1 st draft Resolution	BC
September 12	Comments due on Resolution	BC
September 15	Circulate 2 nd draft Resolution	BC
September 15	<i>Agenda Deadline for Town Commission Meeting (September 22)</i>	All
September 15	Workshop at 1 pm (Conceptual approval of refi based on term sheet, numbers, etc.)	LBK
September 17	Circulate 1st draft Bank Documents	BC
September 22	Town Commission Meeting - Approve Resolution/ Loan Documents	LBK,BC, PFM
September 30	Pre-close	ALL
October 1	Close	All

Working Group

IS Issuer – *Town of Longboat Key*
 BC Bond Counsel – *Bryant Miller and Olive*
 FA Financial Advisor – *Public Financial Management, Inc.*
 Bank Bank Loan Provider – *BB&T*
 BBC Bank Counsel-

Governmental Finance

P.O. Box 714
Columbia, SC 29202
(803) 251-1328
Fax (803) 251-1329

August 29, 2014

Ms. Marissa Wortman
PFM
300 S. Orange Ave., Suite 1170
Orlando, Fl 32801

Dear Ms. Wortman:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for the financing requested by the Town of Longboat Key:

- (1) **Project:** General Obligation Note Refunding
- (2) **Amount To Be Financed:** \$4,674,574
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<u>Term</u>	<u>BQ Rate</u>
15 years	3.09%

We offer a fixed interest rate of 3.09% for a term with final maturity of October 1, 2029. Interest on the principal balance will accrue based on a 30/360 day count basis and BB&T must approve of the final amortization schedule.

The interest rate stated above is valid for a closing date not later than 45 days after today. Closing of the financing is contingent upon completing documentation acceptable to BB&T and its counsel.

BB&T's underwriting fee and legal review expenses shall be \$4,500. All applicable costs of counsel for the Town and any other costs shall be the Town's responsibility and separately payable by the Town.

The financing documents shall include provisions that will outline appropriate changes to be implemented in the event that this transaction is determined to be taxable in accordance with Florida State Statutes or the Internal Revenue Service code.

The stated interest rate assumes that the Town expects to borrow less than \$10,000,000 in the calendar year 2014 and that the financing shall comply with the IRS Code Sections 141, 148, 149(e) and 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not a qualified tax-exempt financing.

(4) Prepayment Language:

The Town may elect one of two prepayment options: (a) the transaction will be prepayable on any payment date in whole with a one percent prepayment penalty; or (b) the transaction will be non callable for one half of the term of the loan and callable in whole at par thereafter.

(5) Financing Documents:

It shall be the responsibility of the Town to retain and compensate counsel to appropriately structure the financing documents according to Florida State statutes. BB&T shall also require the Town to provide an unqualified bond counsel opinion. BB&T and its counsel reserve the right to review and approve all documentation before closing.

(6) Security:

The Note will be a general obligation of the Town legally secured by and payable from ad valorem property taxes without limit on all taxable property within the Town.

BB&T appreciates the opportunity to make this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer. If BB&T is not selected as the loan provider, it requests that either the Town or the Town's Financial Advisor provide BB&T with the results of all competing bids.

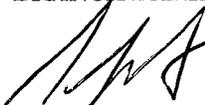
BB&T shall have the right to cancel this offer by notifying the Town of its election to do so (whether or not this offer has previously been accepted by the Town) if at any time prior to the closing there is a material adverse change in the Town's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Town or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T.

Please call me at (803) 251-1328 with your questions and comments.

We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Andrew G. Smith
Senior Vice President

TABLE OF CONTENTS

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Report	Page
Sources and Uses of Funds	1
Bond Summary Statistics	2
Summary of Refunding Results	3
Summary of Bonds Refunded	4
Savings	5
Bond Pricing	6
Bond Debt Service	7
Cost of Issuance	9
Escrow Requirements	10
Escrow Sufficiency	11
Escrow Statistics	12
Unrefunded Bond Debt Service	13
Aggregate Debt Service	14
Form 8038 Statistics	15

SOURCES AND USES OF FUNDS

Town of Longboat Key, FL
General Obligation Revenue Refunding Bond, Series 2014
BB&T 3.09%
FINAL NUMBERS

Sources:

Bond Proceeds:	
Par Amount	4,680,000.00
	<hr/>
	4,680,000.00

Uses:

Refunding Escrow Deposits:	
Cash Deposit	4,619,500.00
Delivery Date Expenses:	
Cost of Issuance	60,500.00
	<hr/>
	4,680,000.00

BOND SUMMARY STATISTICS

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Dated Date	10/01/2014
Delivery Date	10/01/2014
Last Maturity	10/01/2029
Arbitrage Yield	3.090000%
True Interest Cost (TIC)	3.090000%
Net Interest Cost (NIC)	3.090000%
All-In TIC	3.225254%
Average Coupon	3.090000%
Average Life (years)	11.627
Duration of Issue (years)	9.782
Par Amount	4,680,000.00
Bond Proceeds	4,680,000.00
Total Interest	1,681,342.26
Net Interest	1,681,342.26
Total Debt Service	6,361,342.26
Maximum Annual Debt Service	686,309.82
Average Annual Debt Service	424,089.48
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	4,680,000.00	100.000	3.090%	11.627
	4,680,000.00			11.627

	TIC	All-In TIC	Arbitrage Yield
Par Value	4,680,000.00	4,680,000.00	4,680,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-60,500.00	
- Other Amounts			
Target Value	4,680,000.00	4,619,500.00	4,680,000.00
Target Date	10/01/2014	10/01/2014	10/01/2014
Yield	3.090000%	3.225254%	3.090000%

SUMMARY OF REFUNDING RESULTS

Town of Longboat Key, FL
General Obligation Revenue Refunding Bond, Series 2014
BB&T 3.09%
FINAL NUMBERS

Dated Date	10/01/2014
Delivery Date	10/01/2014
Arbitrage yield	3.090000%
Escrow yield	
Value of Negative Arbitrage	
Bond Par Amount	4,680,000.00
True Interest Cost	3.090000%
Net Interest Cost	3.090000%
Average Coupon	3.090000%
Average Life	11.627
Par amount of refunded bonds	4,619,500.00
Average coupon of refunded bonds	5.200000%
Average life of refunded bonds	11.982
PV of prior debt to 10/01/2014 @ 3.090000%	5,584,645.43
Net PV Savings	904,645.43
Percentage savings of refunded bonds	19.583189%
Percentage savings of refunding bonds	19.330031%

SUMMARY OF BONDS REFUNDED

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bank Loan, Series 2009, 2009:					
BOND	10/01/2022	5.200%	241,800.00	10/01/2014	100.000
	10/01/2023	5.200%	534,400.00	10/01/2014	100.000
	10/01/2024	5.200%	562,200.00	10/01/2014	100.000
	10/01/2025	5.200%	591,400.00	10/01/2014	100.000
	10/01/2026	5.200%	622,200.00	10/01/2014	100.000
	10/01/2027	5.200%	654,500.00	10/01/2014	100.000
	10/01/2028	5.200%	688,600.00	10/01/2014	100.000
	10/01/2029	5.200%	724,400.00	10/01/2014	100.000
			4,619,500.00		

SAVINGS

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/01/2014 @ 3.0900000%
10/01/2015	240,214.00	164,448.00	75,766.00	74,194.21
10/01/2016	240,214.00	164,447.06	75,766.94	71,959.01
10/01/2017	240,214.00	164,447.22	75,766.78	69,790.27
10/01/2018	240,214.00	164,447.86	75,766.14	67,686.60
10/01/2019	240,214.00	164,447.34	75,766.66	65,647.47
10/01/2020	240,214.00	164,447.08	75,766.92	63,669.69
10/01/2021	240,214.00	164,447.44	75,766.56	61,751.13
10/01/2022	482,014.00	406,247.74	75,766.26	59,890.56
10/01/2023	762,040.40	686,273.68	75,766.72	58,056.85
10/01/2024	762,051.60	686,285.52	75,766.08	56,242.60
10/01/2025	762,017.20	686,250.44	75,766.76	54,480.88
10/01/2026	762,064.40	686,297.54	75,766.86	52,768.66
10/01/2027	762,010.00	686,243.44	75,766.56	51,104.52
10/01/2028	762,076.00	686,309.82	75,766.18	49,487.18
10/01/2029	762,068.80	686,302.08	75,766.72	47,915.78
	7,497,840.40	6,361,342.26	1,136,498.14	904,645.43

Savings Summary

PV of savings from cash flow	904,645.43
Net PV Savings	904,645.43

BOND PRICING

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	10/01/2015	19,836	3.090%	3.090%	100.000
	10/01/2016	20,448	3.090%	3.090%	100.000
	10/01/2017	21,080	3.090%	3.090%	100.000
	10/01/2018	21,732	3.090%	3.090%	100.000
	10/01/2019	22,403	3.090%	3.090%	100.000
	10/01/2020	23,095	3.090%	3.090%	100.000
	10/01/2021	23,809	3.090%	3.090%	100.000
	10/01/2022	266,345	3.090%	3.090%	100.000
	10/01/2023	554,601	3.090%	3.090%	100.000
	10/01/2024	571,750	3.090%	3.090%	100.000
	10/01/2025	589,382	3.090%	3.090%	100.000
	10/01/2026	607,641	3.090%	3.090%	100.000
	10/01/2027	626,363	3.090%	3.090%	100.000
	10/01/2028	645,784	3.090%	3.090%	100.000
	10/01/2029	665,731	3.090%	3.090%	100.000
		4,680,000			

Dated Date	10/01/2014	
Delivery Date	10/01/2014	
First Coupon	04/01/2015	
Par Amount	4,680,000.00	
Original Issue Discount		
Production	4,680,000.00	100.000000%
Underwriter's Discount		
Purchase Price	4,680,000.00	100.000000%
Accrued Interest		
Net Proceeds	4,680,000.00	

BOND DEBT SERVICE

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2015			72,306.00	72,306.00	
10/01/2015	19,836	3.090%	72,306.00	92,142.00	164,448.00
04/01/2016			71,999.53	71,999.53	
10/01/2016	20,448	3.090%	71,999.53	92,447.53	164,447.06
04/01/2017			71,683.61	71,683.61	
10/01/2017	21,080	3.090%	71,683.61	92,763.61	164,447.22
04/01/2018			71,357.93	71,357.93	
10/01/2018	21,732	3.090%	71,357.93	93,089.93	164,447.86
04/01/2019			71,022.17	71,022.17	
10/01/2019	22,403	3.090%	71,022.17	93,425.17	164,447.34
04/01/2020			70,676.04	70,676.04	
10/01/2020	23,095	3.090%	70,676.04	93,771.04	164,447.08
04/01/2021			70,319.22	70,319.22	
10/01/2021	23,809	3.090%	70,319.22	94,128.22	164,447.44
04/01/2022			69,951.37	69,951.37	
10/01/2022	266,345	3.090%	69,951.37	336,296.37	406,247.74
04/01/2023			65,836.34	65,836.34	
10/01/2023	554,601	3.090%	65,836.34	620,437.34	686,273.68
04/01/2024			57,267.76	57,267.76	
10/01/2024	571,750	3.090%	57,267.76	629,017.76	686,285.52
04/01/2025			48,434.22	48,434.22	
10/01/2025	589,382	3.090%	48,434.22	637,816.22	686,250.44
04/01/2026			39,328.27	39,328.27	
10/01/2026	607,641	3.090%	39,328.27	646,969.27	686,297.54
04/01/2027			29,940.22	29,940.22	
10/01/2027	626,363	3.090%	29,940.22	656,303.22	686,243.44
04/01/2028			20,262.91	20,262.91	
10/01/2028	645,784	3.090%	20,262.91	666,046.91	686,309.82
04/01/2029			10,285.54	10,285.54	
10/01/2029	665,731	3.090%	10,285.54	676,016.54	686,302.08
	4,680,000		1,681,342.26	6,361,342.26	6,361,342.26

BOND DEBT SERVICE

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2015	19,836	3.090%	144,612.00	164,448.00
10/01/2016	20,448	3.090%	143,999.06	164,447.06
10/01/2017	21,080	3.090%	143,367.22	164,447.22
10/01/2018	21,732	3.090%	142,715.86	164,447.86
10/01/2019	22,403	3.090%	142,044.34	164,447.34
10/01/2020	23,095	3.090%	141,352.08	164,447.08
10/01/2021	23,809	3.090%	140,638.44	164,447.44
10/01/2022	266,345	3.090%	139,902.74	406,247.74
10/01/2023	554,601	3.090%	131,672.68	686,273.68
10/01/2024	571,750	3.090%	114,535.52	686,285.52
10/01/2025	589,382	3.090%	96,868.44	686,250.44
10/01/2026	607,641	3.090%	78,656.54	686,297.54
10/01/2027	626,363	3.090%	59,880.44	686,243.44
10/01/2028	645,784	3.090%	40,525.82	686,309.82
10/01/2029	665,731	3.090%	20,571.08	686,302.08
	4,680,000		1,681,342.26	6,361,342.26

COST OF ISSUANCE

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Cost of Issuance	\$/1000	Amount
Bond Counsel Fee	4.80769	22,500.00
Bond Counsel Expenses	0.53419	2,500.00
Bank Counsel	0.96154	4,500.00
Financial Advisor Fee	4.27350	20,000.00
Financial Advisor Expenses	0.21368	1,000.00
Town Attorney	2.13675	10,000.00
	12.92735	60,500.00

ESCROW REQUIREMENTS

Town of Longboat Key, FL
General Obligation Revenue Refunding Bond, Series 2014
BB&T 3.09%
FINAL NUMBERS

Period Ending	Principal Redeemed	Total
10/01/2014	4,619,500.00	4,619,500.00
	4,619,500.00	4,619,500.00

ESCROW SUFFICIENCY

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
10/01/2014	4,619,500.00	4,619,500.00		
	4,619,500.00	4,619,500.00	0.00	

ESCROW STATISTICS

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:						
4,619,500.00				4,619,500.00		
4,619,500.00				4,619,500.00	0.00	0.00

Delivery date 10/01/2014
 Arbitrage yield 3.090000%

UNREFUNDED BOND DEBT SERVICE

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2015	356,200	5.200%	165,583.60	521,783.60
10/01/2016	374,800	5.200%	147,061.20	521,861.20
10/01/2017	394,200	5.200%	127,571.60	521,771.60
10/01/2018	414,700	5.200%	107,073.20	521,773.20
10/01/2019	436,300	5.200%	85,508.80	521,808.80
10/01/2020	459,000	5.200%	62,821.20	521,821.20
10/01/2021	482,900	5.200%	38,953.20	521,853.20
10/01/2022	266,200	5.200%	13,842.40	280,042.40
	3,184,300		748,415.20	3,932,715.20

AGGREGATE DEBT SERVICE

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Period Ending	General Obligation Revenue Refunding Bond, Series 2014	Unrefunded Bonds	Aggregate Debt Service
10/01/2015	164,448.00	521,783.60	686,231.60
10/01/2016	164,447.06	521,861.20	686,308.26
10/01/2017	164,447.22	521,771.60	686,218.82
10/01/2018	164,447.86	521,773.20	686,221.06
10/01/2019	164,447.34	521,808.80	686,256.14
10/01/2020	164,447.08	521,821.20	686,268.28
10/01/2021	164,447.44	521,853.20	686,300.64
10/01/2022	406,247.74	280,042.40	686,290.14
10/01/2023	686,273.68		686,273.68
10/01/2024	686,285.52		686,285.52
10/01/2025	686,250.44		686,250.44
10/01/2026	686,297.54		686,297.54
10/01/2027	686,243.44		686,243.44
10/01/2028	686,309.82		686,309.82
10/01/2029	686,302.08		686,302.08
	6,361,342.26	3,932,715.20	10,294,057.46

FORM 8038 STATISTICS

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Dated Date 10/01/2014
 Delivery Date 10/01/2014

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	10/01/2015	19,836.00	3.090%	100.000	19,836.00	19,836.00
	10/01/2016	20,448.00	3.090%	100.000	20,448.00	20,448.00
	10/01/2017	21,080.00	3.090%	100.000	21,080.00	21,080.00
	10/01/2018	21,732.00	3.090%	100.000	21,732.00	21,732.00
	10/01/2019	22,403.00	3.090%	100.000	22,403.00	22,403.00
	10/01/2020	23,095.00	3.090%	100.000	23,095.00	23,095.00
	10/01/2021	23,809.00	3.090%	100.000	23,809.00	23,809.00
	10/01/2022	266,345.00	3.090%	100.000	266,345.00	266,345.00
	10/01/2023	554,601.00	3.090%	100.000	554,601.00	554,601.00
	10/01/2024	571,750.00	3.090%	100.000	571,750.00	571,750.00
	10/01/2025	589,382.00	3.090%	100.000	589,382.00	589,382.00
	10/01/2026	607,641.00	3.090%	100.000	607,641.00	607,641.00
	10/01/2027	626,363.00	3.090%	100.000	626,363.00	626,363.00
	10/01/2028	645,784.00	3.090%	100.000	645,784.00	645,784.00
	10/01/2029	665,731.00	3.090%	100.000	665,731.00	665,731.00
		4,680,000.00			4,680,000.00	4,680,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	10/01/2029	3.090%	665,731.00	665,731.00		
Entire Issue			4,680,000.00	4,680,000.00	11.6266	3.0900%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	60,500.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	4,619,500.00
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	11.9824
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

FORM 8038 STATISTICS

Town of Longboat Key, FL
 General Obligation Revenue Refunding Bond, Series 2014
 BB&T 3.09%
 FINAL NUMBERS

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
General Obligation Bank Loan, Series 2009:					
BOND	10/01/2022	241,800.00	5.200%	100.000	241,800.00
BOND	10/01/2023	534,400.00	5.200%	100.000	534,400.00
BOND	10/01/2024	562,200.00	5.200%	100.000	562,200.00
BOND	10/01/2025	591,400.00	5.200%	100.000	591,400.00
BOND	10/01/2026	622,200.00	5.200%	100.000	622,200.00
BOND	10/01/2027	654,500.00	5.200%	100.000	654,500.00
BOND	10/01/2028	688,600.00	5.200%	100.000	688,600.00
BOND	10/01/2029	724,400.00	5.200%	100.000	724,400.00
		4,619,500.00			4,619,500.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
General Obligation Bank Loan, Series 2009	10/01/2014	07/22/2009	11.9824
All Refunded Issues	10/01/2014		11.9824

RESOLUTION NO. 2014-28

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION REFUNDING BOND, SERIES 2014 OF THE TOWN IN THE PRINCIPAL AMOUNT OF \$4,680,000 PAYABLE FROM THE FULL FAITH, CREDIT AND UNLIMITED AD VALOREM TAXING POWER OF THE TOWN, TO PROVIDE FUNDS TO CURRENTLY REFUND A PORTION OF THE TOWN'S OUTSTANDING GENERAL OBLIGATION NOTE, SERIES 2009; PROVIDING FOR THE LEVY OF NECESSARY AD VALOREM TAXES IN THE MANNER AND TO THE EXTENT PROVIDED HEREIN; EXPRESSING THE TOWN'S CURRENT INTENTION TO REPAY THE BOND FROM NET REVENUES OF THE TOWN'S WATER AND WASTEWATER UTILITY SYSTEM; MAKING SUCH DETERMINATIONS AS ARE REQUIRED TO AFFORD SUCH BOND "BANK QUALIFIED" STATUS; PROVIDING FOR OTHER COVENANTS WITH RESPECT TO THE BONDHOLDER; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR THE SEVERABILITY OF PARTS HEREOF IF DECLARED INVALID; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF LONGBOAT KEY, FLORIDA, THAT:

SECTION 1. AUTHORITY FOR THIS BOND RESOLUTION. This Bond Resolution is adopted pursuant to the provisions of the Florida Constitution, Chapter 166, Florida Statutes, Sections 132.33-132.47, Florida Statutes, the Charter of the Town of Longboat Key, Florida (the "Town Charter") and other applicable provisions of law (collectively, the "Act").

SECTION 2. DEFINITIONS. As used in this Bond Resolution:

"BOND" means the Town of Longboat Key, Florida General Obligation Refunding Bond, Series 2014, to be issued pursuant to this Bond Resolution.

"BOND COUNSEL" means Bryant Miller Olive P.A., or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"BOND REFERENDUM" shall have the same meaning as set forth below in Section 3.

"BOND RESOLUTION" means this resolution, as amended and supplemented from time to time.

"BOND YEAR" means each twelve-month period ending on October 1 of each year.

"BUSINESS DAY" means any day except any Saturday or Sunday or day on which the Principal Office of the Original Purchaser is closed.

"CLERK" means the Town Clerk of the Town, or his or her duly authorized designee.

"CODE" means the Internal Revenue Code of 1986, as amended.

"DEBT SERVICE FUND" means the "Town of Longboat Key, Florida General Obligation Refunding Bond, Series 2014, Debt Service Fund" created pursuant to Section 17(A) hereof.

"DEBT SERVICE PAYMENT DATE" means the date on which any component of Debt Service Requirement becomes due.

"DEBT SERVICE REQUIREMENT" for any Bond Year, means the sum of the amount required to be deposited into the Debt Service Fund in such year.

"FEDERAL SECURITIES" means direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obligor.

"FINANCE DIRECTOR" means the Finance Director of the Town and such other person as may be duly authorized to act on his or her behalf.

"HOLDER" or "HOLDER OF BOND" or "BONDBOLDER" or any similar term means any person who shall be the registered owner of the outstanding Bond.

"2009 LOAN AGREEMENT" means the Loan Agreement, dated as of July 22, 2009, between the Town and Branch Banking and Trust Company, as holder of the 2009 Note.

"MATURITY DATE" means October 1, 2029.

"MAYOR" means the Mayor of the Town and in his or her absence or unavailability, the Vice-Mayor of the Town and such other person as may be duly authorized to act on his or her behalf.

"NET REVENUES" means the net revenues derived from the operation of the System determined in accordance with generally accepted accounting principles as applicable to publicly owned utility systems such as the System.

"NON-AD VALOREM REVENUES" means all revenues of the Town derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments required herein, but only after provision has been made by the Town for the payment of all essential or legally mandated services.

"2009 NOTE" means the Town of Longboat Key, Florida General Obligation Note, Series 2009.

"ORIGINAL PURCHASER" means Branch Banking and Trust Company, the original purchaser of the Bond.

"PERMITTED INVESTMENTS" means investments permitted by applicable law and the written investment policy of the Town.

"PRINCIPAL OFFICE" means, with respect to the Original Purchaser, the office located at 5130 Parkway Plaza Boulevard, Building No. 9, Charlotte, North Carolina 28217, or such other office as the Holder may designate in writing to the Town.

"PROJECT" means the acquisition, construction and equipping of various capital improvements to the System, as such improvements are generally described in Exhibit B to the 2009 Loan Agreement, and as more particularly described in the plans and specifications on file with the Town.

"REBATE FUND" means the "Town of Longboat Key, Florida General Obligation Refunding Bond, Series 2014, Rebate Fund" created pursuant to Section 23 hereof.

"REFUNDED NOTE" means \$4,619,500 principal amount of the 2009 Note, consisting of \$241,800 of the principal payment due on the 2009 Note on October 1, 2022 and all of the principal payments due on the 2009 Note on and after October 1, 2023 in the aggregate amount of \$4,377,700, as provided in Appendix I to the 2009 Note.

"REFUNDED NOTE RESOLUTION" means Resolution No. 2009-29 adopted by the Town Commission of the Town on July 6, 2009.

"SYSTEM" shall mean any and all water production, transmission, treatment and distribution facilities, sewage collection, transmission, treatment and disposal facilities and irrigation water/reclaimed water production, collection, transmission, treatment and distribution facilities now owned and operated or hereafter owned and operated by the Town, which System shall also include any and all improvements, extensions and additions thereto hereafter constructed or acquired either from the proceeds of indebtedness or from any other sources, together with all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith.

"TOWN" means the Town of Longboat Key, Florida, a municipal corporation duly organized and validly existing under the laws of the State of Florida.

"TOWN ATTORNEY" means the Town Attorney or assistant Town Attorney of the Town, or any special counsel appointed by the Town Commission.

"TOWN COMMISSION" means the Town Commission of the Town.

"TOWN MANAGER" shall mean the Town Manager of the Town and such other person as may be duly authorized to act on his or her behalf.

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 "Bondholder," "bond," "owner," "holder" and "person" shall include the plural as well as the singular number, and the word "person" shall include corporations, associations and public bodies as well as natural persons.

SECTION 3. FINDINGS. It is hereby found and determined:

(A) The Town has heretofore determined that the Project constituted a capital project authorized by law for which bonds payable from municipal ad valorem taxes could be issued pursuant to Article VII, Section 12 of the Constitution of the State of Florida so long as such bonds were approved by a majority vote of the electors who are owners of freeholds therein not wholly exempt from taxation.

(B) On December 18, 2008, the Town Commission of the Town adopted Resolution No. 2008-36 which called an election to be held on March 17, 2009 (the "Bond Referendum") to authorize the proposed issuance of general obligation bonds in an amount not to exceed \$27,000,000 to finance the costs of the Project, payable from ad valorem taxes without limit on all taxable property within the Town.

(C) The Bond Referendum was duly held and conducted in all respects according to law, and a majority of electors casting a ballot voted in favor of the issuance of such bonds for such purpose to be secured in such manner.

(D) Pursuant to the authority granted by law and the election referred to above and the Refunded Note Resolution, the Town issued its \$9,250,000 Town of Longboat Key, Florida, General Obligation Note, Series 2009 on July 22, 2009 in order to finance the costs of the Project.

(E) Article VII, Section 12 of the Constitution of the State of Florida provides that municipalities may issue bonds payable from ad valorem taxation without approval by a vote of the electors to refund outstanding bonds and interest and redemption premiums thereon if such refunding bonds are issued at a lower net average interest cost rate than that which is calculated respecting the refunded bonds.

(F) Sections 132.33-132.47, Florida Statutes set forth certain requirements which must be met prior to the issuance of the Bond hereinafter authorized.

(G) The Town deems it a paramount public purpose and deems it necessary, beneficial and in its best interest to provide for the current refunding of the Refunded Note. The refunding program herein described will be advantageous to the Town by effecting an overall reduction in debt service applicable to bonded indebtedness issued to finance the costs of the Project.

(H) The Town now desires to issue the Bond in the principal amount of Four Million Six Hundred Eighty Thousand Dollars (\$4,680,000) pursuant to the terms of this Bond Resolution.

(I) The Bond shall be payable from the full faith, credit and unlimited ad valorem taxing power of the Town.

(J) The Town has determined, based on the advice of Public Financial Management, Inc., its Financial Advisor, to issue the Bond as a private placement.

(K) The Town and the holder of the Refunded Note have agreed to the Town's prepayment of the Refunded Note on October 1, 2014, without penalty or premium.

(L) Ad valorem taxes levied by the Town in accordance with the Bond Resolution, if required, shall be sufficient to pay all principal of and interest on the Bond to be issued hereunder, as the same become due, and to make all required deposits or payments required by this Bond Resolution.

(M) The estimated sum required for such refunding will be derived from a portion of the proceeds from the sale of the Bond.

(N) A portion of the proceeds from the Bond shall be used on the date of issuance of the Bond to make payment of all presently outstanding principal of and interest with respect to the Refunded Note as the same is redeemed on the date the Bond is issued.

(O) The costs associated with such refunding program shall be deemed to include legal expenses, fiscal expenses, expenses for estimates of costs and of revenues, accounting expenses, accrued interest and such other expenses as may be necessary or incidental for the refinancing herein authorized.

SECTION 4. AUTHORIZATION OF BOND AND REFUNDING. Subject and pursuant to the provisions hereof, there is hereby authorized to be issued and sold the Town of Longboat Key, Florida General Obligation Refunding Bond, Series 2014, in the principal amount of \$4,680,000, to currently refund the Refunded Note. Such refunding is hereby authorized. Prior to the issuance of the Bond, the Finance Director shall execute a certificate, which sets forth the following (which certificate shall hereby be incorporated into this Bond Resolution):

(A) The principal amount of the Bond to be issued hereunder;

(B) A determination that such principal amount of Bond does not exceed the limitation imposed by Section 132.35, Florida Statutes; and

(C) The financial plan for the proposed refunding, showing the sources and amounts of all moneys required to accomplish such refunding, containing an estimate of the present value of the total debt service savings anticipated, computed in accordance with Section 132.35(2), Florida Statutes, and containing a statement that the Bond will bear a lower net average interest cost rate than the Refunded Note.

SECTION 5. BOND RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bond authorized to be issued hereunder by those who shall hold the same from time to time, this Bond Resolution shall be deemed to be

and shall constitute a contract between the Town and such Holder. The covenants and agreements herein set forth to be performed by the Town shall be for the equal benefit, protection and security of the legal Holder of such Bond.

SECTION 6. DESCRIPTION OF BOND. The Bond shall be issued in the denomination equal to the principal amount thereof. The Bond shall have a fixed interest rate equal to 3.09% (subject to adjustment as described below and subject to the limitations set forth below, the "Interest Rate"), calculated on the basis of a 360 day year with twelve 30-day months. The Interest Rate on the Bond may be adjusted as hereinafter provided; provided, however, that such Interest Rate as adjusted shall in no event (a) exceed the maximum interest rate permitted by the Act or (b) equal or exceed a rate that would (i) cause the net average interest cost rate (as defined in Section 132.34, Florida Statutes) on the Bond to equal or exceed the net average interest cost rate on the Refunded Note, or (ii) result in no aggregate present value (as defined in Section 132.34, Florida Statutes) debt service savings.

Subject to the foregoing limitation, if any interest on the Bond becomes includable in the gross income of the Holder for Federal income tax purposes or the Bond becomes no longer a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, based on action or inaction by the Town, the effect of which would adversely affect the Holder's after-tax yield with respect to the Bond, then the Holder shall have the right to adjust the Interest Rate in order to maintain the same after-tax yield as if such event had not occurred. These adjustments shall survive payment of the Bond until such time as the federal statute of limitations under which the interest on the Bond could be declared taxable under the Code shall have expired.

Subject to the foregoing limitation, any amounts due hereunder not paid when due shall bear interest at a default rate equal to the Interest Rate on the Bond plus 2% per annum from and after five (5) days after the date due.

Interest on the Bond shall be paid semi-annually on each April 1 and October 1 until maturity, commencing on April 1, 2015 until the Maturity Date or earlier prepayment. Principal on the Bond shall amortize on October 1 of the years and in the amounts to be set forth in the Bond, commencing on October 1, 2015; provided, however, the final maturity of the Bond shall be the Maturity Date. The first installment of principal on the Bond shall be due on a date not later than the first stated maturity date of the Refunded Note next following the date of issuance of the Bond.

Because of the characteristics of the Bond, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Bond, it is in the best interest of the Town to accept the offer of the Original Purchaser to purchase the Bond at a private negotiated sale. Prior to the issuance of the Bond, the Town shall receive a Purchaser's Certificate from the Original Purchaser in the form attached hereto as Exhibit A, and the Disclosure Letter from the Original Purchaser containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit B.

The Bond shall bear interest from the Debt Service Payment Date next preceding the date on which it is issued, unless issued on a Debt Service Payment Date, in which

case it shall bear interest from such Debt Service Payment Date, or, unless issued prior to the first Debt Service Payment Date, in which case it shall bear interest from its date; provided, however, that if at the time of payment, interest is in default, such Bond shall bear interest from the date to which interest shall have been paid.

The principal of and the interest on the Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of the Bond shall be payable only to the registered Holder or his legal representative, and payment of the principal of and interest on the Bond shall be made by the Town on each Debt Service Payment Date to the person appearing on the registration books of the Town hereinafter provided for as the registered Holder thereof, by wire transfer or check mailed to such registered Holder at his address as it appears on such registration books on the 15th day of the calendar month (whether or not a Business Day) preceding the interest payment date. Payment of the final installment of principal of the Bond shall be made upon the presentation and surrender of such Bond as the same shall become due and payable.

SECTION 7. EXECUTION. The Bond shall be executed in the name of the Town by its Mayor, shall be attested and countersigned by its Clerk, subject to the approval of the Town Attorney as to form and legal correctness, and the corporate seal of the Town or a facsimile thereof shall be affixed thereto or reproduced thereon.

SECTION 8. SIGNATURES; REGISTRATION. In the event that any officer whose signature shall appear on the Bond shall cease to be such officer before the delivery of such Bond, said signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery. The Bond may be signed by such person who, at the actual time of the execution of such Bond, shall be the proper officer to sign such Bond although, at the date of said Bond, such person may not have been such an officer.

The Bond, upon surrender thereof to the Town, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Town, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of the Bond equal to the designated amount of the Bond so surrendered.

SECTION 9. NEGOTIABILITY, REGISTRATION AND TRANSFER OF THE BOND. The Town shall keep books for the registration of transfers of the Bond as provided in this Bond Resolution. The transfer of any Bond may be registered only upon such books and only upon surrender thereof to the Town together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Town. Upon any such registration of transfer, the Town shall execute, and deliver in exchange for such Bond, a new Bond registered in the name of the transferee, and in an aggregate principal amount equal to the principal amount of such Bond so surrendered.

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

transfer shall forthwith be canceled by the Town. The Town may make a charge for every such exchange or registration of transfer of the Bond 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 the Bondholder for the privilege of exchanging or registering the transfer of the Bond under the provisions of this Bond Resolution. The Town shall not be required to make any such exchange or registration of transfer of the Bond during fifteen (15) days immediately preceding any Debt Service Payment Date or, in the case of any proposed prepayment of the Bond then, for the Bond called for prepayment, during the fifteen (15) days preceding the date of the mailing of notice of such prepayment and continuing until such prepayment date.

The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or prepayment price of any such Bond, and the interest on such Bond, shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond including the interest thereon to the extent of the sum or sums so paid.

The Bond may be transferred in whole but not in part. Notwithstanding anything herein to the contrary, the Holder may enter into participation agreements with respect to the Bond.

SECTION 10. BOND MUTILATED, DESTROYED, STOLEN OR LOST. In case the Bond shall become mutilated, or be destroyed, stolen or lost, the Town may, in its discretion, cause to be executed, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Town proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. The Bond so surrendered shall be canceled by the Town. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Town may pay the same, upon being indemnified as aforesaid, and if such Bond is lost, stolen or destroyed, without surrender thereof.

SECTION 11. PREPAYMENT PROVISIONS. The principal of the Bond may not be prepaid prior to April 1, 2022. On or after April 1, 2022, the principal of the Bond may be prepaid at the option of the Town in whole, but not in part, on any Debt Service Payment Date without penalty upon ten (10) days prior written notice.

SECTION 12. FORM OF BOND. The Bond shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted in this Bond Resolution or in any supplemental resolution of the Town Commission adopted prior to the issuance thereof:

[Form of Bond]

Due: October 1, 2029
Dated: October 1, 2014

\$4,680,000

UNITED STATES OF AMERICA
STATE OF FLORIDA
TOWN OF LONGBOAT KEY
GENERAL OBLIGATION REFUNDING BOND, SERIES 2014

KNOW ALL MEN BY THESE PRESENTS that the Town of Longboat Key, Florida (the "Town"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of BRANCH BANKING AND TRUST COMPANY, or registered assigns (hereinafter, the "Holder"), the principal sum of \$4,680,000 in amortization requirements hereinafter described, together with interest on the principal balance outstanding at the rate per annum of 3.09% (as the same may be adjusted as described herein and subject to the limitations set forth below) calculated on the basis of a 360 day year with twelve 30-day months. The interest rate on this Bond may be adjusted as hereinafter provided; provided however, that the interest rate on this Bond, as adjusted, shall in no event (a) exceed the maximum interest rate permitted by the Act (as defined in the hereinafter described Bond Resolution) or (b) equal or exceed a rate that would (i) cause the net average interest cost rate (as defined in Section 132.34, Florida Statutes) on this Bond to equal or exceed the net average interest cost rate on the Refunded Note (as defined in the Bond Resolution) or (ii) result in no aggregate present value (as defined in Section 132.34, Florida Statutes) debt service savings.

Principal of and interest on this Bond are payable in lawful money of the United States of America at such place as the Holder may designate to the Town in writing.

Subject to the foregoing limitation, if any interest on this Bond becomes includable in the gross income of the Holder for Federal income tax purposes or this Bond becomes no longer a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code (as defined in the Bond Resolution), based on action or inaction by the Town, the effect of which would adversely affect the Holder's after-tax yield with respect to this Bond, then the Holder shall have the right to adjust the interest rate in order to maintain the same after-tax yield as if such event had not occurred. These adjustments shall survive payment of this Bond until such time as the federal statute of limitations under which the interest on this Bond could be declared taxable under the Code shall have expired.

Subject to the foregoing limitation, any amounts due hereunder not paid when due shall bear interest at a default rate equal to the interest rate on this Bond plus 2% per annum from and after five (5) days after the date due.

Interest shall be payable semi-annually to the Holder on each April 1 and October 1, commencing on April 1, 2015.

Principal on this Bond shall amortize on October 1 of the following years:

<u>Year</u>	<u>Principal Amortization</u>
2015	\$19,836
2016	20,448
2017	21,080
2018	21,732
2019	22,403
2020	23,095
2021	23,809
2022	266,345
2023	554,601
2024	571,750
2025	589,382
2026	607,641
2027	626,363
2028	645,784
2029	665,731

As described above, the final installment of the entire unpaid principal balance, together with all accrued and unpaid interest hereon, is due and payable on October 1, 2029.

If any date for the payment of principal and interest hereon shall fall on a day which is not a Business Day (as defined in the Bond Resolution) the payment due on such date shall be due on the next succeeding day which is a Business Day, but the Town shall not receive credit for the payment until it is actually received by the Holder.

All payments by the Town pursuant to this Bond shall apply first to accrued interest, then to other charges due the Holder, and the balance thereof shall apply to principal.

This Bond is issued pursuant to the Constitution and laws of the State of Florida, Chapter 166, Florida Statutes, Sections 132.33-132.47, Florida Statutes, the Town Charter and other applicable provisions of law, the Bond Referendum (as defined in the Bond Resolution), and Resolution No. 2014-28 adopted by the Town Commission of the Town on September 22, 2014, as amended and supplemented from time to time (the "Bond Resolution"), and is subject to all the terms and conditions of the Bond Resolution.

Subject to Section 15 of the Bond Resolution, for so long as this Bond is outstanding, the Town is obligated, each year, to levy an ad valorem tax, without limitation as to the rate or amount, on all taxable property within the Town (excluding homestead exemptions and other exemptions as theretofore or thereafter provided by applicable law) at least equal to the Debt Service Requirement (as defined in the Bond Resolution) for the ensuing Bond Year (as defined in the Bond Resolution).

For the prompt payment of the principal of and interest on this Bond as the same shall become due, the full faith, credit and taxing power of the Town are hereby irrevocably pledged. All taxes levied pursuant to the Bond Resolution, and all ad valorem taxes collected thereby are thereby and hereby irrevocably pledged and shall immediately be deposited into the Debt Service Fund (as defined in the Bond Resolution) and held in trust

for the payment of the principal of and interest on this Bond as they become due and shall be expended for no other purpose. Until disbursed, the funds shall be secured as may from time to time be provided by law.

It is hereby certified and recited that all acts, conditions and things required to happen, exist and be performed precedent to and in connection with the issuance of this Bond, have happened, exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto; that the total indebtedness of the Town, including this Bond, does not exceed any constitutional or statutory limitation; and that provision has been made for the levy and collection of a direct annual tax without limitation as to rate or amount upon all taxable property, sufficient to pay, together with other moneys available, if any, the principal of and interest on this Bond as the same shall become due, which tax shall be levied, assessed and collected at the same time, and in the same manner as other ad valorem taxes are levied, assessed and collected within the Town.

The principal of this Bond may not be prepaid prior to April 1, 2022. On or after April 1, 2022, the principal of this Bond may be prepaid at the option of the Town, in whole, but not in part, on any Debt Service Payment Date without penalty upon ten (10) days prior written notice.

This transfer of this Bond is registrable by the registered owner hereof or his duly authorized attorney or legal representative, but only in the manner and subject to the conditions provided in the Bond Resolution and upon surrender and cancellation of this Bond.

The Town shall not be required to exchange or register any transfer of this Bond after this Bond has been selected for prepayment.

IN WITNESS WHEREOF, the Town caused this Bond to be signed by the manual signature of the Mayor and the seal of the Town to be affixed hereto or imprinted or reproduced hereon, and attested by the manual signature of the Town Clerk and approved as to form and legal correctness by the manual signature of the Town Attorney, and this Bond to be dated the date of issuance set forth above.

(SEAL)
FLORIDA

TOWN OF LONGBOAT KEY,

By: _____
James L. Brown, Mayor

ATTESTED:

By: _____
Trish Granger, Town Clerk

APPROVED AS TO FORM AND
LEGAL CORRECTNESS:

By: _____
Maggie Mooney-Portale, Town Attorney

SECTION 13. FINANCIAL INFORMATION. The Town shall provide the Bondholder with such financial information regarding the Town as the Bondholder may reasonably request. Not later than 210 days after the close of each fiscal year, the Town shall provide the Bondholder with its Comprehensive Annual Financial Report including annual financial statements for each fiscal year of the Town, prepared in accordance with applicable law and generally accepted accounting principles and audited by an independent certified public accountant. All accounting terms not specifically defined or specified herein shall have the meanings attributed to such terms under generally accepted accounting principles as in effect from time to time consistently applied.

SECTION 14. APPLICATION OF BOND PROCEEDS. The proceeds of the Bond shall be applied by the Town simultaneously with the delivery of the Bond to the Original Purchaser thereof, as follows:

(A) The Town shall pay all costs and expenses in connection with the preparation, issuance and sale of the Bond.

(B) An amount, as set forth in a certificate of the Mayor, which shall be sufficient to pay the principal of, premium, if any, and interest on the Refunded Note on the date of issuance of the Bond as the same shall be redeemed, shall be transferred to the holder of the Refunded Note.

Subject to the execution and delivery of the Bond for the purpose of refunding the Refunded Note, based on the consent of the holder of the Refunded Note (such consent to be evidenced by acceptance of the redemption price), the Town hereby irrevocably calls the Refunded Note for early redemption on October 1, 2014, or such other date as determined by the Mayor and the Town Manager.

SECTION 15. SECURITY FOR BOND. The Bond is a general obligation of the Town. The principal of and interest on the Bond shall be secured by a pledge of the full faith, credit and taxing power of the Town without limitation. Except as otherwise provided herein, a direct annual tax without limit shall be levied upon all taxable property within the Town to make such payments and provision shall be included and made in the annual budget and tax levy for the levy of the taxes hereinbefore provided. Notwithstanding any other provision of this Bond Resolution, in determining the amount of the ad valorem tax to be levied for a particular fiscal year to pay debt service on the Bond, the Town shall levy, at a minimum, an amount that assumes that the percentage of ad valorem tax that will be collected in such fiscal year will be no higher than the percentage of ad valorem tax collected for the immediately preceding fiscal year. Whenever the Town shall, in any fiscal year, have irrevocably deposited in the Debt Service Fund any moneys derived from sources other than the aforementioned ad valorem tax, said ad valorem tax may be correspondingly diminished for such fiscal year; but any such diminution must leave available an amount of such ad valorem tax, after allowance for anticipated delinquencies in collection, fully sufficient, with such moneys so deposited from other sources, to assure the prompt payment of principal, interest and other related charges falling due prior to the time that the proceeds of the next annual ad valorem tax levy will be available. Such ad valorem tax shall be levied and collected at the same time, and in the same manner, as other ad valorem taxes of the Town are assessed, levied and collected. The ad valorem tax shall be levied and collected in accordance with all applicable law, including, but not

limited to, the Referendum Resolution. Notwithstanding the foregoing, to the extent the Town budgets and appropriates Net Revenues or other Non-Ad Valorem Revenues to pay scheduled debt service on the Bond for a fiscal year, the Town shall not be obligated to specifically levy ad valorem taxes for that portion of the debt service on the Bond for such fiscal year; provided, however, if there are insufficient Net Revenues and other Non-Ad Valorem Revenues to so pay the debt service on the Bond when due during such fiscal year, then the Town shall apply other ad valorem tax revenues and legally available funds to make up such insufficiency.

Notwithstanding anything herein to the contrary, the Bond is not secured by a lien on Net Revenues or a covenant to budget and appropriate Non-Ad Valorem Revenues.

All taxes levied pursuant to this Bond Resolution, and all ad valorem taxes collected thereby are hereby irrevocably pledged and shall immediately be deposited into the Debt Service Fund and held in trust for the payment of the principal of and interest on the Bond as it becomes due and shall be expended for no other purpose. Any amounts on deposit from time to time in the Debt Service Fund are hereby irrevocably pledged and held in trust for payment of principal of and interest on the Bond as it becomes due and shall be expended for no other purposes. Until disbursed, the funds shall be secured as may from time to time be provided by law.

SECTION 16. LEVY OF AD VALOREM TAXES. Subject to the provisions of Section 15 hereof, for so long as the Bond is outstanding, the Town Commission shall, each year, levy an ad valorem tax, without limitation as to rate or amount, on all taxable property within the Town (excluding homestead exemptions and other exemptions as heretofore or hereafter provided by applicable law) at least equal to the Debt Service Requirement for the ensuing Bond Year. Such tax shall be levied and collected at the same time and in the same manner as ad valorem taxes for the operating expenses of the Town and shall be in addition to all other taxes authorized to be levied by the Town. The Town covenants that it will not accept payment of taxes levied for operating expenses of the Town unless there shall be paid at the same time the taxes required by this Bond Resolution.

SECTION 17. COVENANTS OF TOWN. For so long as any of the principal of and interest on the Bond shall be outstanding and unpaid or until there shall have been set apart in the Debt Service Fund, a sum sufficient to pay when due, the entire principal of the Bond remaining unpaid, together with interest accrued or to accrue thereon, the Town covenants with the Holder of the Bond as follows:

(A) Debt Service Fund. The Town covenants and agrees to establish a special fund to be designated "Town of Longboat Key, Florida General Obligation Refunding Bond, Series 2014, Debt Service Fund."

Any Net Revenues or Non-Ad Valorem Revenues budgeted and appropriated to pay debt service on the Bond pursuant to Section 15 hereof shall be deposited to the Debt Service Fund monthly commencing in October of the applicable fiscal year in sufficient amounts so that on each Debt Service Payment Date there are sufficient amounts therein to pay the scheduled debt service on the Bond.

From the Debt Service Fund shall be paid each installment of interest on and principal of the Bond as it becomes due, including capitalized interest, if any. No further payments shall be required to be made into the Debt Service Fund when the aggregate amount of moneys in the Debt Service Fund is at least equal to the aggregate principal amount of the Bond then outstanding, plus the amount of interest then due or thereafter to become due on such Bond then outstanding. At such time as the Bond is no longer outstanding, any moneys remaining in the Debt Service Fund may be transferred to the general fund of the Town, and shall be used for any lawful purpose. Moneys on deposit in the Debt Service Fund may be invested in Permitted Investments.

(B) Special Funds. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. All such funds shall be continuously secured in the manner by which the deposit of Town funds are authorized to be secured by the laws of the State of Florida. The designation, establishment and collection of funds and accounts in and by this Bond Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Town for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided. In accordance with Article III, Section 4 and Article V, Section 1 of the Town Charter, the Town Commission of the Town hereby delegates to the Town Manager, based on the best interests of the Town and taking into consideration advice of PFM Asset Management LLC, as the Town's Investment Advisor (the "Investment Advisor"), the authority to, at any time and from time to time, appoint one or more depositaries to collect and hold, for the benefit of the Holder of the Bond, the funds and accounts established hereby. Such depository or depositaries shall perform at the direction of the Town Manager and the Town's Finance Director the duties of the Town in depositing, transferring and disbursing moneys to and from such funds and accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Town and its agent and employees. Any such depository selected by the Town Manager shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing. Earnings on investments in funds and accounts created under this Bond Resolution shall be retained in the funds and accounts from which such earnings derive.

(C) Books and Records. Books and records of the Town shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles.

At least once a year, on or before March 31 of the year following the close of each fiscal year, the books, records and accounts of the Town shall be properly audited by an independent firm of certified public accountants.

SECTION 18. DEFEASANCE. If, at any time, the Town shall have paid, or shall have made provision for payment of, the principal and interest with respect to the Bond, then, and in that event, the pledge of and lien on the funds pledged in favor of the Holder of such Bond shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities in irrevocable trust with a banking institution or

trust company, for the sole benefit of the Bondholder in respect to which such Federal Securities, the principal and interest received will be sufficient to make timely payment of the principal and interest on the outstanding Bond, shall be considered "provision for payment." Nothing herein shall be deemed to require the Town to call the outstanding Bond for prepayment prior to maturity pursuant to any optional prepayment provisions, if applicable, or to impair the discretion of the Town in determining whether to exercise any such option for early prepayment, if applicable.

SECTION 19. DEFAULTS; EVENTS OF DEFAULT AND REMEDIES. Except as provided below, if any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default:"

(A) Failure to punctually pay any interest on the Bond when due and such failure is not cured within five (5) days;

(B) Failure to punctually pay the principal of the Bond, at the stated maturity thereof, or upon proceedings for prepayment thereof, if applicable, when due and such failure is not cured within five (5) days;

(C) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Town contained in this Bond Resolution or in the Bond and the continuance thereof for a period of thirty (30) days after written notice to the Town given by the Holder of the Bond then outstanding (provided, however, that with respect to any obligation, covenant, agreement or condition which requires performance by a date certain, if the Town performs such obligation, covenant, agreement or condition within thirty (30) days of written notice as provided above, the default shall be deemed to be cured);

(D) Failure by the Town promptly to remove any execution, garnishment or attachment of such consequence as will materially impair its ability to carry out its obligations hereunder; or

(E) Any act of bankruptcy or the rearrangement, adjustment or readjustment of the obligations of the Town under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors' rights.

The Holder of the Bond issued under the provisions hereof or any trustee acting for the Holder of such Bond may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under state or federal law, or granted and contained herein, and may enforce and compel the performance of all duties required herein or by any applicable law to be performed by the Town or by any officer thereof.

The foregoing notwithstanding:

(i) No remedy conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholder hereunder.

(ii) No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient.

(iii) No waiver of any default or Event of Default hereunder by the Bondholder shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

(iv) Acceleration of the payment of principal of and interest on the Bond shall not be a remedy hereunder in the case of an Event of Default.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholder under this Bond Resolution, the Bondholder shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Town and the funds pending such proceedings, with such powers as the court making such appointment shall confer.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the Town nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Bond Resolution, and the Town, for itself and all who may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of redemption to which it may be entitled.

SECTION 20. MODIFICATION OR AMENDMENT. No material modification or amendment of this Bond Resolution or resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holder of the Bond then outstanding.

SECTION 21. SEVERABILITY OF INVALID PROVISION. If any one or more of the covenants, agreements or provisions of this Bond Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Bond Resolution or of the Bond issued hereunder.

SECTION 22. ARBITRAGE. No use will be made of the proceeds of the Bond which will cause the same to be "arbitrage bonds" within the meaning of the Code. The Town, at all times while the Bond and the interest thereon are outstanding, will comply with the requirements of Section 103(c) of the Code and applicable rules and regulations of the Internal Revenue Service.

SECTION 23. TAX COVENANT. With respect to any Bond for which the Town intends on the date of issuance thereof for the interest thereon to be excluded from gross income for purposes of federal income taxation:

(A) The Town shall not use or permit the use of any proceeds of the Bond or any other funds of the Town, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Town with respect to the Bond in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Bond to be a "private activity bond" within the meaning of Section 141 or an "arbitrage bond" within the meaning of Section 148, or "federally guaranteed" within the meaning of Section 149(b), of the Code, or otherwise cause interest on such Bond to become subject to federal income taxation.

(B) The Town shall, at all times, do and perform all acts and things permitted by law and this Bond Resolution which are necessary or desirable in order to ensure that interest paid on such Bond will be excluded from gross income for purposes of federal income taxes and shall take no action that would result in such interest not being so excluded.

(C) The Town shall pay or cause to be paid to the United States Government any amounts required by Section 148(f) of the Code and the regulations thereunder (the "Regulations"). In order to ensure compliance with the rebate provisions of Section 148(f) of the Code with respect to any Bond for which the Town intends on the date of issuance thereof to be excluded from gross income for purposes of federal income taxation, the Town hereby creates the "Town of Longboat Key, Florida General Obligation Refunding Bond, Series 2014, Rebate Fund" (the "Rebate Fund") to be held by the Town. The Rebate Fund need not be maintained so long as the Town timely satisfies its obligation to pay any rebatable earnings to the United States Treasury; however, the Town may, as an administrative convenience, maintain and deposit funds in the Rebate Fund from time to time. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held for future payment to the United States Government as required by the Regulations and as set forth in instructions of Bond Counsel delivered to the Town upon issuance of such Bond. Moneys on deposit in the Rebate Fund may be invested in Permitted Investments.

SECTION 24. BANK QUALIFIED STATUS. The Town Commission of the Town designates the portion, if any, of the Bond that exceeds the current principal amount of the Refunded Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. The Town and any issuer of "tax-exempt" debt that issues "on behalf of" the Town do not reasonably expect during the calendar year 2014 to issue more than \$10,000,000 of "tax-exempt" obligations including the portion of the Bond designated as described in this Section 24, exclusive of any private activity bonds as defined in Section 141(a) of the Code (except for qualified 501(c)(3) bonds as defined in Section 145 of the Code).

The portion of the Bond that is not being designated as a "qualified tax-exempt obligation" under the preceding paragraph is deemed designated as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code.

SECTION 25. NO THIRD PARTY BENEFICIARIES. Except as may be expressly described herein, nothing in this Bond Resolution, or in the Bond, expressed or implied, is intended or shall be construed to confer upon anyone of another entity other than the Town and the Holder any right, remedy or claim, legal or equitable, under and by reason of

this Bond Resolution or any provision hereof, or of the Bond, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Town and the Holder from time to time.

SECTION 26. DEPOSITORY ACCOUNTS FOR OTHER TOWN DEBT. In accordance with Article III, Section 4 and Article V, Section 1 of the Town Charter, the Town Commission of the Town hereby delegates to the Town Manager, based on the best interests of the Town and taking into consideration advice of the Investment Advisor, the authority to, at any time and from time to time, appoint one or more depositories to collect and hold, for the benefit of the applicable lender or creditor, the funds and accounts established by ordinances, resolutions, indentures, loan agreements, or other debt instruments. Such depository or depositories shall perform at the direction of the Town Manager and the Town's Finance Director the duties of the Town in depositing, transferring and disbursing moneys to and from such funds and accounts as therein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Town and its agents and employees. Any such depository selected by the Town Manager shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing.

SECTION 27. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Bond Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Bond Resolution or of the Bond issued hereunder.

SECTION 28. BUSINESS DAYS. In any case where the due date of interest on or principal of a Bond is not a Business Day, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day, provided that credit for payments made shall not be given until the payment is actually received by the Holder.

SECTION 29. APPLICABLE PROVISIONS OF LAW. This Bond Resolution shall be governed by and construed in accordance with the laws of the State of Florida.

SECTION 30. RULES OF INTERPRETATION. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Bond Resolution and not solely to the particular portion in which any such word is used.

SECTION 31. CAPTIONS. The captions and headings in this Bond Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

SECTION 32. MEMBERS OF THE TOWN COMMISSION NOT LIABLE. No covenant, stipulation, obligation or agreement contained in this Bond Resolution shall be

deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent or employee of the Town in his or her individual capacity, and neither the members of the Town Commission nor any person executing the Bond shall be liable personally on the Bond or this Bond Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Bond or this Bond Resolution.

SECTION 33. AUTHORIZATIONS. The Mayor and any member of the Town Commission, the Town Manager, the Town Attorney, the Clerk, the Finance Director and such other officials and employees of the Town as may be designated by the Town Manager are each designated as agents of the Town in connection with the issuance and delivery of the Bond and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Town that are necessary or desirable in connection with the execution and delivery of the Bond, and which are specifically authorized or are not inconsistent with the terms and provisions of this Bond Resolution.

SECTION 34. OPEN MEETING FINDINGS. It is hereby found and determined that all official acts by the Town Commission concerning and relating to the adoption of this Bond Resolution and all prior resolutions affecting the Town Commission's ability to issue the Bond were taken in an open meeting of the Town Commission and that all deliberations of the Town Commission or any of its committees that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

SECTION 35. REPEALER. All resolutions or portions thereof in conflict herewith are hereby repealed.

[Remainder of page intentionally left blank]

SECTION 36. EFFECTIVE DATE. This Bond Resolution shall take effect immediately upon its adoption on September 22, 2014 by the Town Commission of the Town of Longboat Key, Florida.

Passed by the Town Commission of the Town of Longboat Key, Florida this 22nd day of September, 2014.

(SEAL)
FLORIDA

TOWN OF LONGBOAT KEY,

James L. Brown, Mayor

ATTEST:

Trish Granger, Town Clerk

Attachments: Exhibits A and B

EXHIBIT A

FORM OF PURCHASER'S CERTIFICATE

This is to certify that Branch Banking and Trust Company, a North Carolina banking corporation (the "Purchaser"), has not required the Town of Longboat Key, Florida (the "Town") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Town in connection with the issuance of the \$4,680,000 Town of Longboat Key, Florida, General Obligation Refunding Bond, Series 2014 dated October 1, 2014 (the "Bond") and no inference should be drawn that the Purchaser, in the acceptance of the Bond, is relying on Bryant Miller Olive P.A., Bond Counsel or Persson & Cohen, P.A., Town Attorney, as to any such matters other than the legal opinions rendered by Bond Counsel and by the Town Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 2014-28 adopted by the Town Commission of the Town on September 22, 2014 authorizing the issuance of the Bond (the "Resolution").

We are aware that investment in the Bond involves various risks, and that the payment of the Bond is secured solely from the sources described in the Resolution (the "Bond Security").

We have made such independent investigation of the Bond Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us by the Town.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Bond and can bear the economic risk of our investment in the Bond.

We acknowledge and understand that the Resolution is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of 1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Town, Bond Counsel nor the Town Attorney shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary, and are purchasing the Bond as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Bond may only be transferred in whole and not in part in any circumstances.

We are a bank as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Bond for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

DATED this 1st of October, 2014.

BRANCH BANKING AND TRUST COMPANY

By: _____

Name: Andrew G. Smith

Title: Senior Vice President

EXHIBIT B

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, proposes to negotiate with the Town of Longboat Key, Florida (the "Town") for the private purchase of its \$4,680,000 Town of Longboat Key, Florida, General Obligation Refunding Bond, Series 2014 dated October 1, 2014 (the "Bond"). Prior to the award of the Bond, the following information is hereby furnished to the Town:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Bank") in connection with the issuance of the Bond (such fees and expenses to be paid by the Town):

Legal Fees:
Edwards Cohen
\$3,500

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Bank in connection with the issuance of the Bond to any person not regularly employed or retained by the Bank (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Bank, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Bank, or to the knowledge of the Bank, with the Town, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Town and the Bank or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Bond.

3. The amount of the underwriting spread expected to be realized by the Bank is \$0.

4. The management fee to be charged by the Bank is \$0.

5. The credit review fee to be charged by the Bank is \$1,000.

6. Truth-in-Bonding Statement:

The Bond is being issued to currently refund a portion of the Town's outstanding General Obligation Note, Series 2009.

The Bond will be payable from the full faith, credit and unlimited ad valorem taxing power of the Town as described in a resolution adopted by the Town Commission of the Town on September 22, 2014. Issuance of the Bond is estimated to result in an average of approximately \$424,089.48 of ad valorem taxes of the Town not being available to finance the services of the Town in each year during the life of the Bond.

7. The name and address of the Bank is as follows:

Branch Banking and Trust Company
5130 Parkway Plaza Boulevard
Building No. 9
Charlotte, North Carolina 28217
Attention: Governmental Finance

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Statement on behalf of the Bank this 1st day of October, 2014.

BRANCH BANKING AND TRUST COMPANY

By: _____

Name: Andrew G. Smith

Title: Senior Vice President



End of Agenda Item