
FINANCING AGREEMENT

Dated as of March __, 2014

By and Between

THE CITY OF FORT PIERCE, FLORIDA
(the “City”)

and

BANK OF AMERICA, N.A.
(the “Bank”)

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FINANCING AGREEMENT

THIS FINANCING AGREEMENT (the “Agreement”), made and entered into this ____ day of March, 2014, by and between **THE CITY OF FORT PIERCE, FLORIDA** (the “City”), a municipal corporation of the State of Florida, and **BANK OF AMERICA, N.A.**, a national banking association authorized to do business in Florida, and its successors and assigns (the “Bank”).

WITNESSETH:

WHEREAS, capitalized terms used in these recitals and not otherwise defined shall have the meanings specified in Article I of this Agreement;

WHEREAS, the City, pursuant to the provisions of the Florida Constitution, Chapter 166, Florida Statutes, Section 489.145 Florida Statutes and other applicable provisions of law (all of the foregoing, collectively, the “Act”), and Resolution No. ____, adopted by the City on March 3, 2014, is authorized to borrow money, and more particularly issue the Note described below for the City’s public purposes; and

WHEREAS, in response to a request for proposal regarding an intended borrowing to finance the City’s cost of equipment and other property defined in Section 489.145(3)(b) of Florida Statutes to be installed in various City buildings (the "Project"), and to pay related costs of issuance, the Bank submitted its terms and conditions, dated January 31, 2014, to the City (the “Terms”); and

WHEREAS, following recommendations by RBC Capital Markets, LLC, the City has accepted the Terms and the Bank is willing to purchase the Note (as hereinafter defined), but only upon the terms and conditions of this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITION OF TERMS

Section 1.01. Definitions. Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings as follows:

"Acquisition Amount" means \$_____. The Acquisition Amount is the amount represented by City to be sufficient, together with proceeds from City if any, to acquire the Project.

“Act” shall have the meaning assigned to that term in the recitals hereof.

“Agreement” shall mean this Financing Agreement and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

“Bond Counsel” shall mean, Akerman LLP, Orlando, Florida, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions hired by the City to render an opinion on such matters with regard to the Note.

"Bond Service Requirement" shall mean, for any Fiscal Year, the amount of principal of or Amortization Installments and interest due on Debt (as defined in Section 4.07 hereof) for such Fiscal Year, except to the extent that any such Bond Service Requirement shall have been provided for out of Debt proceeds.

“Business Day” shall mean any day other than a Saturday, a Sunday, or a day on which the office of the Bank at which payments on the Note are due is lawfully closed.

“City Clerk” shall mean the City Clerk or any deputy City Clerk of the City and such other person as may be duly authorized to act on his or her behalf.

“City Manager” shall mean the City Manager of the City and such other person as may be duly authorized to act on his or her behalf.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

"Contract" shall mean that Guaranteed Energy, Water and Wastewater Performance Savings Contract by and between BGA, Inc., a Florida corporation and the City dated February ___, 2014.

“Debt Service” means principal and interest, and other debt-related costs, due in connection with the Note, as applicable.

“Default Rate” shall mean the Note Rate plus ___ percent (__%) provided such rate shall not exceed the highest rate of interest allowed by applicable law.

“Determination of Taxability” shall mean, with respect to the Note, any determination, decision or decree by the Commissioner or any District Director of the Internal Revenue Service, as such officers are identified by the Code, or any court of competent jurisdiction, or delivery of an opinion of Bond Counsel, that the interest payable under the Note is includable in the gross income (as defined in Section 61 of the Code) of the Holder.

“Event of Default” shall mean an Event of Default as defined in Section 5.01 of this Agreement.

“Final Maturity Date” shall mean the date on which all principal and all unpaid interest accrued on the Note shall be due and payable in full, which date shall be, if not sooner due to acceleration or prepayment, December 1, 2028.

“Finance Director” shall mean the City’s Director of Finance such other person as may be duly authorized to act on his or her behalf.

“Fiscal Year” shall mean the 12-month period commencing October 1 of each year and ending on the succeeding September 30, or such other 12-month period as the City may designate as its “fiscal year” as permitted by law.

“Loan” shall refer to an amount equal to the outstanding principal of the Note, together with unpaid interest which has accrued.

"Maximum Bond Service Requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirement for the then current or any future Fiscal Year, except that with respect to any Debt for which amortization installments have been established, the amount of principal coming due on the final maturity date with respect to such Debt shall be reduced by the aggregate principal amount of such Debt that are to be redeemed from amortization installments which were to be made in, prior Fiscal Years.

“Non-Ad Valorem Funds” shall mean all legally available funds of the City derived from any source whatsoever other than ad valorem taxation on real or personal property, which are legally available to make the payments due on the Note, but only after provision has been made by the City for the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law.

“Note” shall mean the City of Fort Pierce, Florida Capital Improvement Revenue Note, Series 2014 issued by the City under the Agreement and the Resolution.

“Note Rate” shall mean the rate of interest to be borne by the Note which shall be a fixed rate equal to 3.055% per annum calculated on the basis of a 360-day year of 12, 30-day months.

“Noteholder” or “Holder” shall mean the Bank as the holder of the Note and any subsequent registered holder of the Note.

“Payment Date” shall mean each _____, and _____, commencing _____ 1, _____ until the Note has been paid in full.

“Pledged Revenues” shall mean Non-Ad Valorem Funds budgeted and appropriated and set aside for the payment of debt service on the Note by the City in accordance with Section 4.03 hereof.

“Resolution” shall mean Resolution No. _____, adopted at a meeting of the City Commission on March 3, 2014, which, among other things, authorized and confirmed the borrowing of the Loan and execution and delivery of this Agreement and the issuance of the Note.

"State" shall mean the State of Florida.

"Taxable Rate" means an interest rate equal to the Note Rate plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any Federal, state or local income tax (including any interest, penalties or additions to tax) actually imposed thereon, equal the amount of interest otherwise due to Holder.

Section 1.02. Interpretation. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. Any capitalized terms used in this Agreement not herein defined shall have the meaning ascribed to such terms in the Resolution. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

Section 1.03. Titles and Headings. The titles and headings of the Articles and Sections of this Agreement, which have been inserted for convenience of reference only and are not to be considered a part hereof, shall not in any way modify or restrict any of the terms and provisions hereof, and shall not be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 2.01. Representations and Warranties of City. The City represents and warrants to the Bank as follows:

(a) Existence. The City is a municipal corporation of the State of Florida, and a political subdivision of the State within the meaning of Section 103(c) of the Code duly created and validly existing under the laws of the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to issue and deliver the Note to the Bank. The making, execution and performance of this Agreement on the part of the City and the issuance and delivery of the Note have been duly authorized by all necessary action on the part of the City and will not violate or conflict with the Act, or any agreement, indenture or other instrument by which the City or any of its material properties is bound.

(b) Validity, Etc. This Agreement, the Note and the Resolution are valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights and except to the extent that the availability of certain remedies may be precluded by general principles of equity and provided that the City is not granting the Bank any rights as privileges that exceed the rights granted BGH, Inc. under the Contract.

(c) No Financial Material Adverse Change. No material adverse change in the financial condition of the City or the Pledged Revenues has occurred since the City fiscal year ended September 30, 2013.

(d) Powers of City. The City has the legal power and authority to pledge the Pledged Revenues to the repayment of the Loan as described herein.

(e) Authorizations, etc. No authorization, consent, approval, license, exemption or registration or filing with any court or governmental department, commission, board, bureau,

agency or instrumentality, domestic or foreign, has been or will be necessary for the valid execution, delivery and performance by the City of this Agreement, the Note and the related documents, except such as have been obtained, given or accomplished.

(f) Total Guaranteed. Annual cost savings have been guaranteed to the extent necessary to make the annual payments to satisfy the Contract.

(g) No Event or Default. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.

(h) Maintenance of Existence. The City will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a municipal corporation and a body corporate and politic.

(i) Public Bidding. The City has complied with such public bidding requirements as may be applicable to this Contract and acquisition by City of the Project.

(j) Books and Records. The City has kept, and throughout the term hereof shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Bank (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements) within 270 days of its Fiscal Year end, (ii) such other financial statements and information as Bank may reasonably request, and (iii) upon Bank's request, its annual budget for any prior or current Fiscal Year or the following Fiscal Year. The financial statements described in subsection (j) shall be accompanied by an unqualified opinion of City's auditor. Credit information relating to City may be disseminated among the Bank and any of its affiliates and any of their respective successors and assigns.

(k) Tax Representations. The payment of the payments due hereunder or any portion thereof is not directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not the City) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The City shall not permit the Federal government to guarantee any payments due hereunder. The Project will not be used, directly or indirectly, in any activity carried on by an person other than a state or local governmental unit. No portion of the Acquisition Amount will be used, directly or indirectly, to make or finance loans to any person other than the City. The City has not entered into any management or other service contract with respect to the use and operation of the Project.

(l) No Litigation. There is no pending litigation, tax claim, proceeding or dispute that may adversely affect City's financial condition or impairs its ability to perform its obligations under this Agreement. City will, at its expense, maintain its legal existence in good standing and do any further act and execute, acknowledge, deliver, file, register and record any further documents the Bank may reasonably request in order to protect Bank's rights and benefits under this Agreement.

(m) No Debt Default. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which City has issued during the past ten (10) years.

Section 2.02. Representations and Warranties of Bank. The Bank represents and warrants to the City as follows:

(a) Existence. The Bank is a national banking association, authorized to do business in the State of Florida, with full power to enter into this Agreement, to perform its obligations hereunder and to make the Loan. The performance of this Agreement on the part of the Bank and the making of the Loan have been duly authorized by all necessary action on the part of the Bank and will not violate or conflict with applicable law or any material agreement, indenture or other instrument by which the Bank or any of its material properties is bound.

(b) Validity. This Agreement is a valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except to the extent that enforceability may be subject to valid bankruptcy, insolvency, financial emergency, reorganization, moratorium or similar laws relating to or from time to time affecting the enforcement of creditors' rights (and specifically creditors' rights as the same relate to banks) and except to the extent that the availability of certain remedies may be precluded by general principles of equity.

(c) Knowledge and Experience. The Bank (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of making the Loan and investing in the Note, (ii) has received and reviewed such financial information concerning the Pledged Revenues as it has needed in order to fairly evaluate the merits and risks of making the Loan and investing in the Note; and (iii) is purchasing the Note as an investment for its own account and not with a current view toward resale to the public.

ARTICLE III

THE NOTE

Section 3.01. Purpose and Use. On the date of this Agreement, the Bank shall make available to the City the Loan in the principal amount of _____ Million _____ Thousand Dollars (\$_____). The proceeds available under this Agreement shall be used solely to finance the cost of the Project and to pay costs of issuing the Note. Proceeds of the Note to be used to pay costs of the Project shall be deposited in the Acquisition Fund hereby created. Disbursements from the Acquisition Fund shall be applied solely to pay costs of the Project and only pursuant to a duly executed disbursement in the form of Exhibit B hereto.

Section 3.02. The Note. The Note shall be substantially in the form set forth as **Exhibit A** to this Agreement. The general terms of the Note shall be as follows:

(a) Amount of Note. The aggregate principal amount of the Note shall be ___Million _____ Thousand Dollars (\$_____).

(b) Interest. The Note shall bear interest at the Note Rate payable on each Payment Date. Upon the occurrence of one or more of the events specified in Section 3.03 of this Agreement, the Note Rate shall be adjusted as therein provided. Interest on the Note shall be computed on the basis of 12, 30-day months and a 360-day year.

(c) Prepayments and Principal Payments. The Note shall be subject to prepayment at the option of the City, only in whole, from any legally available monies at a prepayment price of 102% of the principal amount to be redeemed, plus accrued interest to the prepayment date. Any prepayment shall be made on such date as shall be specified by the City in a written notice delivered to the Noteholder not less than thirty (30) days prior to the specified prepayment date. Any prepayment shall be applied first to accrued interest, then to other amounts owed the Bank, and finally to principal.

Principal on the Note is payable on each Payment Date commencing _____ 1, 2014 as set forth in the Note.

Section 3.03. Adjustments to Note Rate. The Note Rate shall be subject to adjustment by the Bank as hereinafter described and as provided in the Note.

In the event of a Determination of Taxability, the Note Rate shall be adjusted to the Taxable Rate effective retroactively to the date on which such Determination of Taxability was made. The Taxable Rate shall remain in effect until the last payment on the Note is made or the action resulting in the Determination of Taxability has been resolved or otherwise terminated. The City also agrees to pay to the Noteholder subject to such Determination of Taxability the Additional Amount (as defined herein). "Additional Amount" means (i) the difference between (a) interest on the Note for the period commencing on the date on which the interest on such Note (or portion thereof) loses its "tax-exempt" status and ending on the earlier of the date such Note ceased to be outstanding or such adjustment is no longer applicable to such Note (the "Taxable Period") at a rate equal to the Taxable Rate and (b) the aggregate amount of interest payable on such Note for the Taxable Period under the provisions of such Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by such Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

The Noteholder shall promptly notify the City in writing of any adjustments pursuant hereto. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments pursuant hereto may be retroactive. The Noteholder shall certify to the City in writing the additional amount, if any, due to the Noteholder as a result of an adjustment pursuant hereto. Notwithstanding any provision hereto the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law.

Section 3.04. Conditions Precedent to Issuance of Note. Prior to or simultaneously with the delivery of the Note, there shall be filed with the Bank the following, each in form and substance reasonably acceptable to the Bank:

(a) an opinion of legal counsel to the City substantially to the effect that (i) the Resolution has been duly adopted and this Agreement and the Note has been duly authorized,

executed and delivered by the City and each constitutes a valid, binding and enforceable agreement of the City in accordance with their respective terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, financial emergency or other laws affecting creditors' rights generally or by usual equity principles; (ii) the City's execution, delivery and performance of this Agreement and execution and issuance of the Note are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not heretofore obtained or effected; (iii) the execution, issuance and delivery of the Note has been duly and validly authorized by the City, and the Note constitutes a valid and binding special obligation of the City enforceable in accordance with its terms; (iv) the City (A) is a municipal corporation duly organized and validly existing under the laws of the State of Florida, and (B) has power and authority to adopt the Resolution, to enter into the Contract, to execute and deliver this Agreement, to execute and deliver the Note, and to consummate the transactions contemplated by such instruments; (v) the execution, delivery and performance of the Note the Contract and this Agreement, and compliance with the terms thereof and hereof, under the circumstances contemplated hereby, do not and will not in any material respect conflict with, or constitute on the part of the City a breach or default under, any indenture, mortgage, deed of trust, agreement or other instrument to which the City or to which its properties are subject or conflict with, violate or result in a breach of any existing law, administrative rule or regulation, judgment, court order or consent decree to which the City or its properties are subject; (vi) to the best of such counsel's knowledge, there is no claim, action, suit, proceeding, inquiry, investigation, litigation or other proceeding, at law or in equity, pending or threatened in any court or other tribunal, state or federal (W) restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Note, (X) in any way questioning or affecting the validity or enforceability of any provision of this Agreement, the Contract, the Note, or the Resolution, (Y) in any way questioning or affecting the validity of any of the proceedings or authority for the authorization, sale, execution or delivery of the Note, or of any provision made or authorized for the payment thereof, or (Z) questioning or affecting the organization or existence of the City or the right of any of its officers to their respective offices; (vii) the City has the legal authority to finance the Project and to pay associated costs of issuance, to grant a lien on the Pledged Revenues as described herein and in the Resolution; and (viii) all conditions contained in the ordinances and resolutions of the City precedent to the issuance of the Note have been complied with;

(b) an opinion of Bond Counsel (who may rely on opinion of legal counsel to the City), substantially to such effect that such counsel is of the opinion that: (i) this Financing Agreement constitutes a valid and binding obligation of the City enforceable upon the City in accordance with its terms; (ii) the Note is a valid and binding special obligation of the City enforceable in accordance with its terms, payable solely from the sources provided therefor in this Financing Agreement; (iii) assuming compliance by the City with certain covenants relating to requirements contained in the Code interest on the Note is excluded from gross income for purposes of federal income taxation; and

(c) a copy of a completed and executed Form 8038-G to be filed with the Internal Revenue Service by the City;

(d) the original executed Note and Agreement; and

- (e) an executed copy of the Contract.

When the documents and items mentioned in clauses (a) through (e), inclusive, of this Section shall have been filed with the Bank, and when the Note shall have been executed as required by this Agreement, and all conditions of the Resolution have been met, the City shall deliver the Note to or upon the order of the Bank upon receipt of the purchase price therefor.

Section 3.05. Registration of Transfer; Assignment of Rights of Bank. The City shall keep at the office of the City Clerk in the City's records the registration of the Note and the registration of transfers of the Note as provided in this Agreement. The transfer of the Note may be registered only upon the books kept for the registration of the Note and registration of transfer thereof upon surrender thereof to the City together with an assignment duly executed by the Bank or its attorney or legal representative in the form of the assignment set forth on the form of the Note attached as **Exhibit A** to this Agreement; provided, however, that the Note may be transferred only in whole and not in part. In the case of any such registration of transfer, the City shall execute and deliver in exchange for the Note a new Note registered in the name of the transferee. In all cases in which the Note shall be transferred hereunder, the City shall execute and deliver at the earliest practicable time a new Note in accordance with the provisions of this Agreement. The City may make a charge for every such registration of transfer of a Note sufficient to reimburse it for any tax or other governmental charges required to be paid with respect to such registration of transfer, but no other charge shall be made for registering the transfer hereinabove granted. The Note shall be issued in fully registered form and shall be payable in any lawful coin or currency of the United States.

The registration of transfer of the Note on the registration books of the City shall be deemed to effect a transfer of the rights and obligations of the Bank under this Agreement to the transferee. Thereafter, such transferee shall be deemed to be the Bank under this Agreement and shall be bound by all provisions of this Agreement that are binding upon the Bank. The City and the transferor shall execute and record such instruments and take such other actions as the City and such transferee may reasonably request in order to confirm that such transferee has succeeded to the capacity of Bank under this Agreement and the Note.

The registered owner of the Note is hereby granted power to transfer absolute title thereof by assignment thereof to a bona fide purchaser for value (present or antecedent) without notice of prior defenses or equities or claims of ownership enforceable against such owner's assignor or any person in the chain of title and before the maturity of the Note; provided, however, that the Note may be transferred only in whole and not in part and provided further, that no transfer shall be permitted absent the City's (and the Bank's) receipt of a certificate in form and substance similar to the one included as part of **Exhibit A** hereto from such proposed transferee. Every prior registered owner of the Note shall be deemed to have waived and renounced all of such owner's equities or rights therein in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire absolute title thereto and to all rights represented thereby.

In the event any Note is mutilated, lost, stolen, or destroyed, the City shall execute a new Note of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the City, and in

the case of any lost, stolen, or destroyed Note, there first shall be furnished to the City evidence of such loss, theft or destruction together with an indemnity satisfactory to it.

Section 3.06. Ownership of the Note. The person in whose name the Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the Note shall be made only to the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note, and interest thereon, to the extent of the sum or sums so paid.

Section 3.07. Use of Proceeds of Note Permitted Under Applicable Law. The City represents, warrants and covenants that the proceeds of the Note will be used solely to refinance the Refunded Note and costs of issuance of the Note, and that such use is permitted by applicable law.

Section 3.08. Authentication. Until the Note shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit A, duly executed by the manual signature of the registrar as authenticating agent, it shall not be entitled to any benefit or security under this Financing Agreement. The Note shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the registrar, and such certificate of the registrar upon the Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Financing Agreement.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.01. Performance of Covenants. The City covenants that it will perform faithfully at all times its covenants, undertakings and agreements contained in this Agreement and the Note or in any proceedings of the City relating to the Loan.

Section 4.02. Payment of Note.

(a) The City does hereby irrevocably pledge the Pledged Revenues as security for the repayment of the Note.

(b) The Note will be a special obligation of the City secured solely by the Pledged Revenues and is payable from the Pledged Revenues as provided in this Agreement. The Note will not constitute a general debt, liability or obligation of the City or the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the faith and credit nor the taxing power of the City or of the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or interest on the Note and the Noteholder shall never have the right to compel any exercise of any ad valorem taxing power of the City or of the State of Florida or any political subdivision thereof, directly or indirectly to enforce such payment. The Note shall not constitute a lien upon any property of the City except upon the Pledged Revenues.

Section 4.03. Covenant to Budget and Appropriate. Until the Note is paid or deemed paid pursuant to the provisions of this Agreement, subject to the next paragraph, the City

covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non Ad-Valorem Funds in each Fiscal Year and which are lawfully available to pay debt service on the Note, amounts sufficient to pay principal of and interest on the Note and other costs and expenses due and payable to the Bank under this Agreement as the same shall become due. Such covenant and agreement on the part of the City to budget and appropriate such amounts of legally available Non-Ad Valorem Funds shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Funds or other legally available funds in amounts sufficient to make all such required payments hereunder shall have been budgeted, appropriated and actually paid. No lien upon or pledge of such Non-Ad Valorem Funds shall be in effect until such moneys are budgeted and appropriated and set aside for such payments. The City shall promptly set aside for the payments due on the Note any Non-Ad Valorem Funds so budgeted and appropriated. The City further acknowledges and agrees that the obligations of the City to include the amount of any deficiency in payments in each of its annual budgets and to pay such deficiencies from legally available Non-Ad Valorem Funds may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Funds, nor does it preclude the City from pledging in the future its Non-Ad Valorem Funds nor does it require the City to levy and collect any particular Non- Ad Valorem Funds, nor does it give the Holders of the Note a prior claim on the Non-Ad Valorem Funds as opposed to claims of general creditors of the City. Such covenant to budget and appropriate legally available Non-Ad Valorem Funds is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Funds heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Note, in the manner described hereunder, Non-Ad Valorem Funds, and placing on the City a positive duty to budget and appropriate, by amendment if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to (i) the restrictions of Florida law which provides that the governing body of the City may only make appropriations for each fiscal year which, in any fiscal year, shall not exceed the amount to be received from taxation or other revenue sources, and (ii) the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by applicable law. Anything in this Agreement to the contrary notwithstanding, it is understood and agreed that the obligations of the City under this section shall be payable from the portion of legally available Non-Ad Valorem Funds budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem tax Funds or to permit or constitute a mortgage or lien upon any assets owned by the City and no holder of the Note nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City. Notwithstanding any provisions of this Agreement or the Note to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad Valorem Funds. Neither this Agreement nor the obligations of the City under the Resolution shall be construed as a pledge of or a lien on all or any Non-Ad Valorem Funds of the City other than the Pledged Revenues.

Section 4.04. Tax Covenant. The City covenants to the purchasers of the Note provided for in this Agreement that the City will not make any use of the proceeds of the Note at

any time during the respective term of such Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be an "arbitrage bond" within the meaning of the Code. The City will comply with the requirements of the Code and any rules and regulations promulgated thereunder necessary to insure the exclusion of interest on the Note from the gross income of the holders thereof for purposes of federal income taxation.

Section 4.05. Compliance with Laws and Regulations. The City shall maintain compliance with all federal, state and local laws and regulations applicable to the financing of the Refunded Note.

Section 4.06. Anti-Dilution. During such time as the Note is Outstanding, the City agrees and covenants with the Holders that for each Fiscal Year of the City, "Total Revenues" and "Total Other Financing Sources" as indicated on the "Schedule of General Fund Revenues, Expenditures and Changes in Fund Balance" or any successor thereto as set forth in the City's general purpose financial statements for the General Fund of the City for such Fiscal Year, less any transfers to the City's General Fund from the City's solid waste fund, less any mounts received by the City from federal grants and state grants, less any funds utilized for capital leases to which the City is the lessee and less any other grants and any other Non-Ad Valorem Funds which may not legally be used to pay debt service on the Note, plus the Ad Valorem Credit (as hereinafter defined), less the Maximum Bond Service Requirement for such Fiscal Year on Debt secured by and payable from specific source of Non-Ad Valorem Funds, less the City's total of general government expenditures and public safety expenditures (the "Adjusted Revenues"), shall be equal to at least 200% of the Maximum Bond Service Requirement on the Note and any other Debt (as defined in Section 4.07 hereof) of the City payable from the City's covenant to budget and appropriate Non-Ad Valorem Funds and 100% of any amounts owed in regard to amounts drawn under any surety bond or similar instrument deposited to a reserve fund issued in regard to the Debt payable from a City covenant to budget and appropriate Non-Ad Valorem Funds (collectively, the "Policy Costs").

For purposes of the above, Ad Valorem Credit means that percentage of ad valorem taxes received by the City determined by dividing the total of general government and public safety expenditures by total expenditures and other financial uses (as such expenditures are reflected in the City's general purposes financial statements for such Fiscal Year).

Section 4.07. Future Debt Payable From Non-Ad Valorem Funds. The City covenants that it will not issue any Debt subsequent to the issuance of the Note payable from amounts budgeted and appropriated from Non-Ad Valorem Funds unless an independent auditor shall prior to the issuance of such Debt certify to the City that the Adjusted Revenues for the immediately preceding Fiscal Year is equal to at least 200% of the Maximum Bond Service Requirement on all Debt to be Outstanding following the issuance of such new Debt and 100% of any amounts owed for Policy Costs. No such additional Debt may be issued without the prior written consent of all applicable bond insurers if any Policy Costs are past due and owing.

"Debt" for purpose of the above means as to any date (without duplication) all of the following to the extent that the maturity thereof is longer than one year, it is an obligation of the City payable from the City's covenant to budget and appropriate Non-Ad Valorem Funds and

such Debt is Outstanding for purposes of the instruments pursuant to which it was issued: (1) Bonds (as defined in various Resolutions of the City); (2) all obligations of the City for borrowed money evidenced by bonds, debentures, notes or other similar instruments, except as otherwise excluded from the definition of Debt; (3) all obligations of the City to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; and (4) all indebtedness of other Persons to the extent guaranteed by the City. "Debt" shall not include any obligation of the City payable in whole or in part whereby the City has agreed to pay such obligation from a covenant to budget and appropriate from Non-Ad Valorem Funds, which agreement is subordinate to such agreement in favor of the holders of the Note and any Debt payable on a parity therewith ("Subordinate Obligations"), [provided that the total outstanding principal amount of such Subordinate Obligations does not exceed \$6.5 million and the maturity date of any such Subordinate Obligations is at least eleven (11) years from the date of issuance thereof].

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default. Each of the following is hereby declared an "Event of Default:"

(a) payment of the principal of the Note shall not be made when the same shall become due and payable; or

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

(c) the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Note or in this Agreement and such default shall continue for thirty (30) days after written notice shall have been given to the City by the Noteholder specifying such default and requiring the same to be remedied; provided, however, that if, in the reasonable judgment of the Noteholder, the City shall proceed to take such curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty (30) days, then such period shall be increased to such extent as shall be necessary to enable the City to diligently complete such curative action; or

(d) any representation or warranty of the City contained in this Agreement or in any certificate or other closing document executed and delivered by the City in connection with the closing of the Loan shall prove to have been untrue in any material respect when executed and delivered, thereby adversely impairing the security for the Note; or

(e) any proceedings are instituted with the consent or acquiescence of the City, for the purpose of effecting a compromise between the City and its creditors or for the purpose of

adjusting the claims of such creditors, pursuant to any federal or state statute now or hereinafter enacted; or

(f) the City admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors, declares a financial emergency or consents to the appointment of a receiver or trustee for itself or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) the City is adjudged insolvent by a court of competent jurisdiction or is adjudged bankrupt on a petition of bankruptcy filed against the City, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

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

Section 5.02. Exercise of Remedies. Upon the occurrence and during the continuance of an Event of Default, the Note shall bear interest at the Default Rate and all payments made on the Note during any such period shall be applied first to interest and then to principal. Upon the occurrence and during the continuance of an Event of Default, a Noteholder may proceed to protect and enforce its rights under the laws of the State of Florida or under this Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as a Noteholder shall deem most effective to protect and enforce such rights. Without limiting the generality of the foregoing, the Noteholder shall have the right to bring a mandamus action to require the City to perform its obligations under this Agreement, provided, the Holder shall never have the right to compel the exercise of the ad valorem taxing power of the City, or taxation on any form of any property therein to pay the Note or the interest thereon.

In the enforcement of an Event of Default other than an Event of Default pursuant to (c) or (d) of 5.01 hereof, to the extent permitted by law, a Noteholder shall be entitled to sue for, enforce payment of and receive any and all amounts then or thereafter becoming due from the City for principal, interest or otherwise under any of the provisions of this Agreement or of the Note then unpaid, with interest on overdue payments of principal and interest (to the extent permitted by law) at the Default Rate, together with any and all costs and expenses of collection and of all proceedings hereunder and under the Note (including, without limitation, reasonable legal fees in all proceedings, including administrative, appellate and bankruptcy proceedings), but payable solely from the Pledged Revenues, without prejudice to any other right or remedy of the Noteholder, and to recover and enforce any judgment or decree against the City, but solely as

provided herein and in the Note, for any portion of such amounts remaining unpaid and interest, costs, and expenses as above provided, and to collect (but only from the Pledged Revenues) in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 5.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to a Noteholder is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder.

Section 5.04. Waivers, Etc. No delay or omission of a Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Agreement to a Noteholder may be exercised from time to time and as often as may be deemed expedient.

A Noteholder may waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Agreement or before the completion of the enforcement of any other remedy under this Agreement, but no such waiver shall be effective unless in writing and no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Covenants of City, Etc.; Successors. All of the covenants, stipulations, obligations and agreements contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time, and upon any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Section 6.02. Term of Agreement. This Agreement shall be in full force and effect from the date hereof until the Note and all other sums payable to the Bank hereunder have been paid in full.

Section 6.03. Amendments and Supplements. This Agreement may be amended or supplemented from time to time only by a writing duly executed by each of the City and the Noteholders.

Section 6.04. Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the City or the Bank, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if and when sent by certified mail, return receipt requested:

(a) As to the City:

City of Fort Pierce, Florida
100 N. U.S. Highway 1
Fort Pierce, Florida 34950
Attention:

(b) As to the Bank:

11333 McCormick Road
Hunt Valley II
Mail Code: MD5-03-07-05
Hunt Valley, MD 21031
Attention: Contract Administration

or at such other address as shall be furnished in writing by any such party to the other, and shall be deemed to have been given as of the date so delivered or deposited in the United States mail.

Either party may, by notice sent to the other, designate a different or additional address to which notices under this Agreement are to be sent.

Section 6.05. Benefits Exclusive. Except as herein otherwise provided, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the City and the Noteholder, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any provision hereof, this Agreement and all its provisions being intended to be and being for the sole and exclusive benefit of the City and the Noteholder.

Section 6.06. Severability. In case any one or more of the provisions of this Agreement, any amendment or supplement hereto or of the Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, any amendment or supplement hereto or the Note, but this Agreement, any amendment or supplement hereto and the Note shall be construed and enforced at the time as if such illegal or invalid provisions had not been contained therein, nor shall such illegality or invalidity or any application thereof affect any legal and valid application thereof from time to time. In case any covenant, stipulation, obligation or agreement contained in the Note or in this Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation, or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the City to the full extent from time to time permitted by law.

Section 6.07. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Note or the date fixed for prepayment of the Note shall be a Saturday, Sunday or a day on which the Bank is required, or authorized or not prohibited, by law (including executive orders) to close and is closed, then payment of such interest or principal shall be made on the next succeeding day on which the Bank is open for business with the same force and effect as if paid on the date of maturity or the date fixed for

prepayment, and no interest on any such principal amount shall accrue for the period after such date of maturity or such date fixed for prepayment.

Section 6.08. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement, and, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 6.09. Applicable Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Florida.

Section 6.10. No Personal Liability. Notwithstanding anything to the contrary contained herein or in the Note, or in any other instrument or document executed by or on behalf of the City in connection herewith, no stipulation, covenant, agreement or obligation of any present or future member of the City Commission, officer, employee or agent of the City, officer, employee or agent of a successor to the City, in any such person's individual capacity, and no such person, in his or her individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulations, covenants, agreements or obligations, nor shall any recourse be had for the payment of the principal of or interest on the Note or for any claim based thereon or on any such stipulation, covenant, agreement or obligation, against any such person, in his or her individual capacity, either directly or through the City or any successor to the City, under any rule or law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such person, in his or her individual capacity, is hereby expressly waived and released.

Section 6.11. Incorporation by Reference. All of the terms and obligations of the Resolution and the Exhibit hereto are hereby incorporated herein by reference as if all of the foregoing were fully set forth in this Agreement. All recitals appearing at the beginning of this Agreement are hereby incorporated herein by reference.

*[Signature Page for FINANCING AGREEMENT
dated as of _____, 2014 between
the City of Fort Pierce, FL and BANK OF AMERICA, N.A.]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first set forth herein.

CITY OF FORT PIERCE, FLORIDA

[SEAL]

ATTEST:

By: _____
Mayor

City Clerk

Approved as to form
and correctness:

City Attorney

BANK OF AMERICA, N.A.

By: _____
Title: Authorized Officer

EXHIBIT A

FORM OF NOTE

PRIOR TO BECOMING A HOLDER, A PROPOSED PURCHASER SHALL EXECUTE A PURCHASER'S CERTIFICATE IN THE FORM ATTACHED HERETO CERTIFYING, AMONG OTHER THINGS, THAT SUCH HOLDER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933, AS AMENDED, AND REGULATION D THEREUNDER.

**CITY OF FORT PIERCE, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING NOTE,
SERIES 2014**

<u>Principal Sum</u>	<u>Maturity Date</u>	<u>Note Rate</u>	<u>Date of Issuance</u>
\$ _____	_____	3.055%	_____, 2014

The CITY OF FORT PIERCE, FLORIDA (the "City"), for value received, hereby promises to pay, solely from the sources described in the within mentioned Agreement, to the order of BANK OF AMERICA, N.A. a national banking association, or its assigns (the "Holder"), at 11333 McCormick Road, Hunt Valley, MD 21031, Attention: Contracts Administration, or at such other place as the Holder may from time to time designate in writing, the Principal Sum stated above on the Maturity Date stated above, together with any accrued and unpaid interest, and to pay interest on the outstanding principal amount hereof from the most recent date to which interest has been paid or provided for, or if no interest has been paid, from the Date of Issuance shown above, on _____ and _____ of each year (each, a "Payment Date"), commencing on _____ 1, _____ until payment of said principal sum has been made or provided for, at the Note Rate. Payments due hereunder shall be payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, which payments shall be made to the Holder hereof by check mailed to the Holder at the address designated in writing by the Holder for purposes of payment or by bank wire or bank transfer as such Holder may specify in writing to the City or otherwise as the City and the Holder may agree.

The Note is subject to mandatory redemption in part prior to maturity, on _____ 1, _____ and on each _____ 1, thereafter, at a redemption price equal to the principal amount thereof and accrued interest thereon to the redemption date, without premium as follows:

Payment Date **Principal Amount**

The Note Rate may be adjusted in accordance with Sections 3.03 of that certain Financing Agreement by and between the Holder and the City, dated as of _____, 2014 (the “Agreement”). Such adjustments may be retroactive.

All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

The Note may be prepaid by the City in whole, but not in part, on any date as provided in the Agreement from any legally available monies at a prepayment price of 102% of the principal amount to be redeemed, plus accrued interest to the prepayment date. Prepayment shall be made on such date as shall be specified by the City in a written notice delivered to the Holder not less than thirty (30) days prior to the specified prepayment date. Any prepayments shall be applied as provided in Section 3.02(c) of the Agreement.

Notice having been given as aforesaid, the principal amount to be prepaid shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on such principal amount; and the amount of principal and interest then due and payable shall be paid upon presentation and surrender of this Note to the office of the City. If, on the prepayment date, funds for the payment of the principal amount, together with interest to the prepayment date on such principal amount, shall have been given to the Holder, as above provided, then from and after the prepayment date interest on such principal amount of this Note shall cease to accrue.

This Note is authorized to be issued under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 166, Florida Statutes, Section 489.145, Florida Statutes and other applicable provisions of law and the City’s Resolution No. _____ effective March 3, 2014 (the “Resolution”), and is subject to all terms and conditions of the Agreement and the Resolution.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or

considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of nonusurious interest allowed under the State of Florida as presently in effect and to the extent an increase is allowable by such laws, but in no event shall any amount ever be paid or payable by the City greater than the amount contracted for herein. In the event the maturity of this Note is accelerated or prepaid in accordance with the provisions hereof, the Agreement or the Resolution, then such amounts that constitute payments of interest, together with any costs or considerations which constitute interest under the laws of the State of Florida, may never exceed an amount which would result in payment of interest at a rate in excess of that permitted by Section 215.84(3), Florida Statutes, as presently in effect and to the extent an increase is allowable by such laws; and excess interest, if any, shall be cancelled automatically as of the date of such acceleration, or, if theretofore paid, shall be credited on the principal amount of this Note unpaid, but such crediting shall not cure or waive any default under the Agreement or Resolution.

THIS NOTE, WHEN DELIVERED BY THE CITY PURSUANT TO THE TERMS OF THE AGREEMENT AND THE RESOLUTION, SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY OR THE STATE OF FLORIDA (THE "STATE"), WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS OF INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM THE PLEDGED REVENUES, AS PROVIDED IN THE AGREEMENT AND THE RESOLUTION. THE HOLDER SHALL NEVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM OF ANY PROPERTY THEREIN TO PAY THIS NOTE OR THE INTEREST HEREON.

Upon the occurrence of an Event of Default the principal of this Note may become or be declared due and payable before the Maturity Date in the manner, with the effect and subject to the conditions set forth in the Agreement and Resolution. The Holder shall also have such other remedies as described in the Agreement.

The City hereby waives presentment, demand, protest and notice of dishonor. This Note is governed and controlled by the Agreement and reference is hereby made thereto regarding interest rate adjustments, acceleration, and other matters.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City has caused this Note to be signed by its Mayor, either manually or with facsimile signature, and the seal of the City to be affixed hereto or imprinted or reproduced hereon, and attested by a City Clerk of the City, either manually or with facsimile signature, and this Note to be dated the Date of Issuance set forth above.

CITY OF FORT PIERCE, FLORIDA

[SEAL]

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Approved as to form and Correctness:

City Attorney

FORM OF CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Note is being delivered pursuant to the within mentioned Agreement.

CITY OF FORT PIERCE, FLORIDA,
as Registrar

By: _____
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____ (please print or typewrite name, address and tax identification number of assignee) _____ the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Name of Noteholder: _____

By: _____

PURCHASER'S CERTIFICATE

City of Fort Pierce, Florida (the "City")

Ladies and Gentlemen:

The undersigned, as a purchaser of the City of Fort Pierce, Florida Capital Improvement Revenue Note, Series 2014 (the "Note") dated _____, 2014, consisting of one typewritten Note, hereby certifies that we have been provided (a) a copy of City of Fort Pierce Resolution No. _____, adopted by the City on _____, 2014, authorizing the issuance of the Note (the "Resolution"), (b) the Financing Agreement dated as of _____, 2014, between the City and us as assignee of _____ (the "Agreement") and (c) such financial and general information respecting the Pledged Revenues (as such term is defined in the Agreement) and the City, and the Note described above as we deem necessary to enable us to make an informed investment judgment with respect to the purchase of said Note.

We hereby make the following representations, which representations may be relied upon by the City:

- A. We are aware:
 - (i) that investment in the Note involves various risks;
 - (ii) that the Note is not a general obligation of the City; and
 - (iii) that the principal or premium, if any, and interest on the Note is payable solely from the Pledged Revenues as specified in the Agreement.
- B. We understand that no official statement, offering memorandum or other form of offering document was prepared or is being used in connection with the Note (collectively, "Disclosure Documents"), but we have been afforded access to all information we have requested in making our decision to purchase the Note and have had sufficient opportunity to discuss the business of the City with its officers, employees and others. We have not requested any Disclosure Documents in connection with the sale of the Note. We do not require any further information or data incident to our purchase of the Note.
- C. In purchasing the Note, we have relied solely upon our own investigation, examination, and evaluation of the City, and other relevant matters.
- D. We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Note and have determined that we can bear the economic risk of our investment in the Note.

- E. We acknowledge the understanding that the Note was not registered under the Securities Act of 1933, as amended (the “1933 Act”) or Chapter 517, Florida Statutes, and that the Resolution and Agreement are not being qualified under the Trust Indenture Act of 1939, as amended, and that the City shall have no obligation to effect any such registration or qualification.
- F. We are not acting as a bond house, broker or other intermediary, in our purchase of the Note. Although we retain the right to transfer the Note in the future, we understand that the Note may not be readily tradable.
- G. We have received all documents requested by us incident to our purchase of the Note.
- H. We acknowledge that we are an “accredited investor” within the meaning of Chapter 517, Florida Statutes and Regulation D of the 1933 Act.

Signed as of the ____ day of _____, _____.

[]

By: _____
Authorized Officer

EXHIBIT B

FORM OF DISBURSEMENT REQUEST

Re: Financing Agreement dated as of March ____, 2014, by and between Bank of America, N.A., and the City of Fort Pierce, Florida (the "Agreement") (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.)

The undersigned hereby requests disbursement from the Acquisition Fund pay the following persons the following amounts from the Acquisition Fund for the following purposes.

Payee's Name and Address	Invoice Number	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by City, and the same is a proper charge against the Acquisition Fund for costs relating to the Project, and has not been paid (or has been paid by City and City requests reimbursement thereof), and the portion of the Project relating to such obligation has been delivered, installed and accepted by the City. Attached hereto is the original invoice with respect to such obligation.

(ii) The undersigned, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) The requisition contains no item representing payment on account, or any retained percentages which City is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to City.

(iv) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Agreement has occurred and is continuing a the date hereof.

(v) The representations, warranties and covenants of City set forth in the Agreements are true and correct as of the date hereof.

Dated _____, _____

CITY OF FORT PIERCE, FLORIDA

By: _____
Authorized Representative

Disbursement of funds from the Acquisition Fund in accordance with the foregoing Disbursement Request hereby is authorized

BANK OF AMERICA, N.A.,

By: _____
Name:
Title: