

EXECUTION COPY

**BAY COUNTY, FLORIDA**

**TOURIST DEVELOPMENT TAX REVENUE MASTER BOND RESOLUTION**

**ADOPTED DECEMBER 6, 2016**

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EXHIBIT A -- INITIAL PROJECT

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BAY COUNTY, FLORIDA AUTHORIZING THE ISSUANCE BY BAY COUNTY, FLORIDA OF NOT EXCEEDING \$50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF TOURIST DEVELOPMENT TAX REVENUE BONDS, SERIES 2017 IN ORDER TO PROVIDE FUNDS FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN CAPITAL IMPROVEMENTS IN AND FOR THE COUNTY; PLEDGING THE PROCEEDS OF UP TO FOUR CENTS OF THE TOURIST DEVELOPMENT TAX RECEIVED BY THE COUNTY WITHIN THE PANAMA CITY BEACH TOURIST DEVELOPMENT TAX SUB-DISTRICT TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; PROVIDING FOR CERTAIN ADDITIONAL MATTERS IN RESPECT TO SAID BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

**ARTICLE I**

**GENERAL**

**SECTION 1.01. DEFINITIONS.** When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

**"Accreted Value"** shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital Appreciation Bond from the date of delivery to the original purchasers thereof to the Interest Date next preceding the date of computation or the date of computation if an Interest Date, such interest to accrue at a rate not exceeding the legal rate, compounded semiannually, plus, with respect to matters related to the payment upon redemption or acceleration of the Capital Appreciation Bonds, if such date of computation shall not be an Interest Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Date and the Accreted Value as of the immediately succeeding Interest Date, calculated based on the assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a 360-day year.

**"Act"** shall mean Chapter 125, Part I, Florida Statutes, Chapter 125.0104, Florida Statutes, and other applicable provisions of law.

**"Additional Bonds"** shall mean the obligations issued at any time under the provisions of Section 5.02 hereof on a parity with the Series 2017 Bonds.

**"Additional Project"** shall mean the acquisition, construction and improvement of such properties as may be financed by a pledge of the Pledged Funds pursuant to the Act, including but not limited to an expansion of the Initial Project, or an indoor tourism sports arena complex, or a convention center complex, or performing arts center auditorium complex, or a combination of those.

**"Amortization Installment"** shall mean an amount designated as such by Supplemental Resolution of the Issuer and established with respect to the Term Bonds.

**"Annual Debt Service"** shall mean the aggregate amount of Debt Service on the Bonds for the applicable Fiscal Year.

**"Authorized Investments"** shall mean any of the following, if and to the extent that the same are at the time legal for investment of funds of the Issuer:

(1) Direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, including obligations issued or held in book entry form on the books of the Department of Treasury of the United States.

(2) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

- (A) Federal Home Loan Bank System;
- (B) Export-Import Bank of the United States;
- (C) Federal Financing Bank;
- (D) Government National Mortgage Association;
- (E) United States Department of Agriculture Rural Development or Rural Utilities Service;
- (F) Federal Home Loan Mortgage Company;
- (G) Federal Housing Administration;
- (H) Private Export Funding Corp.; and
- (I) Federal National Mortgage Association.

(3) Prerefunded obligations of any state or of any agency, instrumentality or local governmental unit of any such state meeting the following conditions:

(A) The obligations are not to be redeemed prior to maturity or the fiduciary for such obligations has been given irrevocable instructions concerning their calling and redemption;

(B) The obligations are secured by cash or United States Obligations that may be applied only to interest, principal and redemption premium payments of such obligations;

(C) The principal of and interest on the United States Obligations (plus any cash in the escrow fund) have been verified by an independent certified public accountant as being sufficient to pay the principal of, redemption premium, if any, and interest on such obligations on the maturity dates or redemption dates specified in the irrevocable instructions referred to in clause (A) above;

(D) The United States Obligations and cash serving as security for the obligations are held by an escrow agent or trustee;

(E) The United States Obligations and cash are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(F) The obligations are rated in the highest rating category by Moody's and S&P.

(4) Direct and general long-term obligations of any state, to the payment of which the full faith and credit of the state is pledged and that are rated in one of the two highest rating categories by Moody's and S&P.

(5) Direct and general short-term obligations of any state, to the payment of which the full faith and credit of the State is pledged and that are rated in the highest rating category by Moody's and S&P.

(6) Interest-bearing demand or time deposits or interests in money market portfolios issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation (FDIC). These deposits or interests must be (A) continuously and fully insured by FDIC and be with banks that are rated at least P-1 or Aa by Moody's and at least A-1 or AA by S&P, or (B) fully secured by United States Obligations. Such United States Obligations must have a market value at all times at least equal to the principal amount of the deposits or interests. The United States Obligations must be held by a trustee (who shall not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the banking institution issuing the deposits or interests. The Trustee shall have a perfected first lien in the United States Obligations serving as collateral, and such collateral is to be free from all third-party liens.

(7) Long-term or medium-term corporate debt issued or guaranteed by any corporation that is rated by Moody's and S&P in one of their two highest rating categories.

(8) Repurchase agreements, the maturities of which are thirty (30) days or less, entered into with financial institutions such as banks or trust companies organized under state law or national banking associations, insurance companies or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York or with a dealer or parent holding company that is rated investment grade ("A" or better) by Moody's and S&P. The repurchase agreement shall be in respect of United States Obligations or obligations described in paragraph (2) of this definition and shall be collateralized by United States Obligations the fair

market value of which, together with the fair market value of the repurchase agreement securities, exclusive of accrued interest, shall be maintained at an amount at least equal to the amount invested in the repurchase agreements. In addition, the provisions of the repurchase agreement shall meet the following criteria:

(A) the trustee (who shall not be the provider of the collateral) or a third party acting solely as agent for the trustee has possession of the repurchase agreement securities and the United States Obligations;

(B) failure to maintain the requisite collateral levels will require the trustee to liquidate the securities immediately;

(C) the trustee has a perfected, first priority security interest in the securities; and

(D) the securities are free and clear of third-party liens, and in the case of an SIPC broker, were not acquired pursuant to a repurchase or reverse repurchase agreement.

(9) Repurchase agreements, the maturities of which are five (5) days or less, entered into by the Issuer's primary financial institution on behalf of the Issuer. The repurchase agreement shall be collateralized by United States Obligations the fair market value of which, together with the fair market value of the repurchase agreement securities, exclusive of accrued interest, shall be maintained at an amount at least equal to the amount invested in the repurchase agreements and such United States Obligations must be held by the Federal Reserve Bank as custodian for the Issuer.

(10) Prime commercial paper of a United States corporation, finance company or banking institution rated at least "P-1" by Moody's and at least "A-1" by S&P.

(11) Units of participation in the Local Government Surplus Funds Trust Fund established pursuant to Part IV, Chapter 218, Florida Statutes, or any similar common trust fund which is established pursuant to State law as a legal depository of public moneys.

(12) Certificates of deposit with a "qualified public depository" (as defined in Section 280.02(12), Florida Statutes) secured in the manner required by Chapter 280, Florida Statutes.

Rating categories when referred to herein shall be without regard to gradations within such categories, such as "plus" or "minus."

**"Authorized Issuer Officer"** shall mean any person authorized by resolution of the Issuer to perform such act or sign such document; provided that, with respect to Section 4.03 hereof, until superseded by subsequent resolution, the Authorized Issuer Officer shall be the Bay County Tourist Development Council acting by majority vote of its members.



**"Bay County Tourist Development Council"** shall mean the body politic appointed by the Board of County Commissioners of Bay County, Florida pursuant to the Act and until it shall be repealed pursuant to Bay County Resolution No. 1495 adopted February 15, 1990.

**"Bond Counsel"** shall mean Nabors, Giblin & Nickerson, P.A., 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, and duly admitted to practice law before the highest court of any state of the United States of America.

**"Bondholder"** or **"Holder"** or **"holder"** or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

**"Bond Insurance Policy"** shall mean the municipal bond insurance policy, if any, issued by an Insurer guaranteeing the scheduled payment when due of the principal of and interest on the applicable Series of Bonds.

**"Bond Year"** shall mean the period commencing and ending on the dates specified by Supplemental Resolution of the Issuer.

**"Bonds"** shall mean the Series 2017 Bonds, together with any Additional Bonds issued pursuant to this Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 5.04 hereof.

**"Business Day"** shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the State of Florida are authorized by law to remain closed.

**"Capital Appreciation Bonds"** shall mean those Bonds so designated by Supplemental Resolution of the Issuer, which may be either Serial Bonds or Term Bonds and which shall bear interest payable at maturity or redemption. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion.

**"Chairman"** shall mean the Chairman of the Board of County Commissioners of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

**"Clerk"** shall mean the Clerk of the Circuit Court for Bay County, ex-officio Clerk of the Board of County Commissioners of the Issuer, or 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, and the regulations and rules thereunder in effect or proposed.

**"Construction Fund"** shall mean the Bay County Tourist Development Tax Revenue Bond Construction Fund established pursuant to Section 4.03 hereof.

**"Cost" or "Costs"**, when used in connection with a Project, shall mean (1) costs incurred or expended by or on behalf of the Issuer for physical construction; (2) costs incurred or expended by or on behalf of the Issuer to acquire such Project; (3) costs of land and interests therein and costs incidental to such acquisition incurred or expended by or on behalf of the Issuer; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction incurred or expended by or on behalf of the Issuer; (5) all interest due to be paid on the Bonds and other obligations relating to the Project during, and if advisable by the Issuer, for up to one (1) year after the end of, the construction period of such Project; (6) engineering, legal and other consultant fees and expenses incurred by or on behalf of the Issuer; (7) costs and expenses of the financing incurred during, and if advisable by the Issuer, for up to one (1) year after the end of, the construction period for such Project, including audits, fees and expenses of any Paying Agent, Registrar, Insurer, Credit Bank or depository incurred by or on behalf of the Issuer; (8) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness by or on behalf of the Issuer (other than the Bonds) incurred for such Project; (9) costs of machinery or equipment required for the commencement of operation of such Project incurred by or on behalf of the Issuer; (10) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles, incurred by or on behalf of the Issuer and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by or on behalf of the Issuer to initiate or advance such Project. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

**"Counterparty"** shall mean the entity entering into a Hedge Agreement with the Issuer. Counterparty shall include any guarantor of such entity's obligations under such Hedge Agreement.

**"Credit Bank"** shall mean as to any particular Series of Bonds, the Person (other than an Insurer) providing a letter of credit, a line of credit or another credit or liquidity enhancement facility, as designated in the Supplemental Resolution providing for the issuance of such Bonds.

**"Credit Facility"** shall mean as to any particular Series of Bonds, a letter of credit, a line of credit or another credit or legal liquidity enhancement facility (other than an insurance policy issued by an Insurer), as approved in the Supplemental Resolution providing for the issuance of such Bonds.

**"Debt Service"** shall mean, at any time, the aggregate amount in the then applicable period of time of (1) interest required to be paid on the Outstanding Bonds during such period of time, except to the extent that such interest is to be paid from deposits in the Interest Account or Construction Fund made from Bond proceeds for such purpose, (2) principal of Outstanding Serial Bonds maturing in such period of time, and (3) the Amortization Installments herein designated with respect to such period of time. For purposes of this definition, (A) all amounts payable on a Capital Appreciation Bond shall be considered a principal payment in the year it becomes due, (B) subject to the provisions of Section 5.13 hereof, with respect to debt service on any Bonds which relate to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such period of time, (C) if

any Series of Bonds has 25% or more of the aggregate principal amount of such Series coming due in any one year, Debt Service shall be determined on such Series during such period of time as if the principal of and interest on such Series were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of 25 years from the date of calculation, and (D) the amount on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted.

**"Debt Service Fund"** shall mean the Bay County Tourist Development Tax Revenue Bond Debt Service Fund established pursuant to Section 4.04 hereof.

**"DTC"** shall mean The Depository Trust Company, and any assigns and successors thereto.

**"Event of Default"** shall mean any Event of Default specified in Section 6.01 of this Resolution.

**"Fiscal Year"** shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

**"Fitch"** shall mean Fitch, Inc., its successors and assigns.

**"Governing Body"** shall mean the Board of County Commissioners of Bay County, Florida or its successor in function.

**"Hedge Agreement"** shall mean an agreement in writing between the Issuer and the Counterparty pursuant to which (1) the Issuer agrees to pay to the Counterparty an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on a notional amount specified in such agreement during the period specified in such agreement and (2) the Counterparty agrees to pay to the Issuer an amount, either at one time or periodically, which may, but is not required to, be determined by reference to the amount of interest (which may be at a fixed or variable rate) payable on all or a portion of a notional amount specified in such agreement during the period specified in such agreement. Hedge Agreement shall also include any financial product or agreement which is used by the Issuer as a hedging device with respect to its obligations to pay interest on Bonds, or any portion thereof, which is designated by the Issuer as a "Hedge Agreement."

**"Hedge Payments"** shall mean any amounts payable by the Issuer on the related notional amount under a Qualified Hedge Agreement; excluding, however, any payments due as a penalty or fee or by virtue of termination of a Qualified Hedge Agreement or any obligation to provide collateral.

**"Hedge Receipts"** shall mean any amounts receivable by the Issuer on the related notional amount under a Qualified Hedge Agreement.

**"Initial Project"** shall mean the acquisition of a publicly owned and operated tourism sports arena and stadium complex located in the Panama City Beach Tourism Development Tax Sub-District in Bay County, at the option of the Issuer to be constructed on the Issuer's behalf by the Panama City Beach Convention and Visitors Bureau, Inc., as more particularly described as Phase I of Exhibit A attached hereto and made a part hereof, including, without limitation, the acquisition of all property rights, appurtenances, easements and franchises relating thereto, with such changes, deletions, additions or modifications as approved by the Board of County Commissioners of the Issuer upon recommendation of the Bay County Tourist Development Council in accordance with the Act, and leased to the Panama City Beach Convention and Visitors Bureau, Inc. as agreed in the Panama City Beach Public School and Sports Park Land Transfer Agreement.

**"Initial Rating Requirement"** shall mean, with regard to a Qualified Hedge Agreement, a Counterparty which at the time it enters into a Qualified Hedge Agreement is rated "A" or better by Standard & Poor's and "A2" or better by Moody's.

**"Insurer"** shall mean, with respect to the Series 2017 Bonds, the insurance company established by Supplemental Resolution, or any successor thereto or assignee thereof, and with respect to any other Series of Bonds shall mean such Person as shall be in the business of insuring or guaranteeing the payment of principal of and interest on municipal securities and whose credit is such that, at the time such Person delivers its insurance or guarantee, all municipal securities insured or guaranteed by it are then rated, because of such insurance or guarantee, in one of the three most secure grades by one of the two most widely nationally recognized rating agencies which regularly rate the credit of municipal securities.

**"Interest Date"** or **"Interest Payment Date"** shall be such date or dates for the payment of interest on a Series of Bonds as shall be provided by Supplemental Resolution.

**"Issuer"** shall mean Bay County, Florida.

**"Maximum Annual Debt Service"** shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding, excluding all Fiscal Years which shall have ended prior to the Fiscal Year in which the Maximum Annual Debt Service shall at any time be computed.

**"Maximum Interest Rate"** shall mean, with respect to any particular Variable Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution of the Issuer delineating the details of such Bonds, that shall be the maximum rate of interest such Bonds may at any particular time bear.

**"Moody's Investors Service"** or **"Moody's"** shall mean Moody's Investors Service, and any assigns or successors thereto.

**"Outstanding"**, when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under agreement to replace lost,

mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Sections 2.06 and 2.08 hereof, (3) Bonds deemed to have been paid pursuant to Section 8.01 hereof, and (4) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity.

**"Panama City Beach Convention and Visitors Bureau, Inc."** shall mean the Florida not-for-profit corporation without members chartered March 30, 1998, as authorized by the Resolution No. 2097 of the Issuer adopted March 18, 1998, Resolution No. 98-3 of the City of Panama City Beach City Council adopted February 12, 1998, and unnumbered resolution of the Bay County Tourist Development Council adopted January 27, 1998, to, *inter alia*, acquire, construct, finance, extend, enlarge, remodel, repair, improve, maintain, operate or promote the several publicly owned and operated facilities named in the Act, as amended.

**"Panama City Beach Public School and Sports Park Land Transfer Agreement"** shall mean that certain agreement dated as of March 24, 2016, by and between the Panama City Beach Convention and Visitors Bureau, Inc., the School Board of Bay County, Florida, The St. Joe Company, the Issuer, the Florida Department of Transportation, and joined by the Bay County Tourist Development Council, a memorandum of which of even dated date is recorded in Bay County Official Records Book 3807 beginning at page 848.

**"Panama City Beach Tourist Development Tax Sub-District"** shall mean that geographic area within which the Bay County Tourist Development Tax is levied as initially described in Bay County Ordinance No. 86-01 adopted January 7, 1986, and Bay County Resolution No. 1308 adopted February 4, 1986. The Panama City Beach Tourist Development Tax Sub-District shall not include the sub-districts established for Mexico Beach and the City of Panama City.

**"Paying Agent"** shall mean any paying agent for Bonds appointed by or pursuant to resolution or Supplemental Resolution and its successor or assigns, and any other Person which may at any time be substituted in its place pursuant to this Resolution.

**"Payment Account"** shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

**"Person"** shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

**"Pledged Funds"** shall mean (1) the Tourist Development Tax Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, other than the Rebate Fund.

**"Prerefunded Obligations"** shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which comply with the requirements of paragraph (3) of the definition of "Authorized Investments."

**"Project"** shall mean the Initial Project and any Additional Project.

**"Promote"** shall mean to market or advertise a Project so as to increase tourism-related business throughout the Panama City Beach Tourist Development Tax Sub-District and Bay County.

**"Qualified Hedge Agreement"** shall mean a Hedge Agreement with a Counterparty which meets the Initial Rating Requirement.

**"Rating Agencies"** shall mean Moody's, S & P, Fitch or such other nationally recognized rating agency as shall maintain a rating on any Series of Bonds.

**"Rebate Fund"** shall mean the Rebate Fund established pursuant to Section 4.04 hereof.

**"Redemption Price"** shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

**"Refunding Securities"** shall mean non-callable United States Obligations and Prerefunded Obligations.

**"Registrar"** shall mean any registrar for the Bonds appointed by or pursuant to resolution or Supplemental Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to this Resolution.

**"Reserve Account"** shall mean the separate account in the Debt Service Fund established pursuant to Section 4.04 hereof.

**"Reserve Account Insurance Policy"** shall mean the insurance policy deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

**"Reserve Account Letter of Credit"** shall mean a letter of credit issued by any bank or national banking institution and then on deposit in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(A)(4) hereof.

**"Reserve Account Requirement"** shall mean, as of any date of calculation for a particular subaccount of the Reserve Account, an amount equal to the least of (1) Maximum Annual Debt Service for all Outstanding Bonds which are secured by such subaccount, (2) 125% of the average annual debt service for all Outstanding Bonds which are secured by such subaccount, or (3) 10% of the proceeds of Bonds which are secured by such subaccount; provided, that at the Issuer's discretion, the Reserve Account Requirement applicable to any Series of Bonds may be set at a lesser amount or may be zero. Subject to the provisions of Section 5.13 hereof, in computing the Reserve Account Requirement in respect of any subaccount of the Reserve Account which secures Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the date of calculation,

the highest of (i) the actual rate of interest on the date of calculation, and (ii) the average interest rate borne by such Variable Rate Bonds over a 24 month period of time ending on the date immediately prior to the date of calculation, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the higher of (i) the actual rate of interest on the date of calculation, and (ii) 120% of the average of the SIFMA Index over a 24 month period of time ending on the date immediately prior to the date of calculation. The date of calculation for Variable Rate Bonds shall be each March 1. In computing the Reserve Account Requirement in accordance with clause (3) of this definition in respect of any Capital Appreciation Bonds, the principal amount of such Bonds shall be the original principal amount thereof, not the Accreted Value.

**"Resolution"** shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

**"Revenue Fund"** shall mean the Bay County Tourist Development Tax Revenue Bond Revenue Fund established pursuant to Section 4.04 hereof.

**"Serial Bonds"** shall mean all of the Bonds other than the Term Bonds.

**"Series"** shall mean all the Bonds delivered on original issuance in a simultaneous transaction and identified pursuant to Sections 2.01 and 2.02 hereof or a Supplemental Resolution authorizing the issuance by the Issuer of such Bonds as a separate Series, regardless of variations in maturity, interest rate, Amortization Installments or other provisions.

**"Series 2017 Bonds"** shall mean the Issuer's Tourist Development Tax Revenue Bonds, Series 2017, authorized pursuant to Section 2.02 hereof.

**"SIFMA Index"** shall mean the Securities Industry and Finance Markets Association Municipal Swap Index released by Municipal Market Data to its subscribers. In the event that at any time Municipal Market Data ceases to announce the SIFMA Index, makes a material change in the method of calculating the SIFMA Index, or in any other way materially modifies the SIFMA Index, the Issuer, upon advice of its financial advisor, may make such calculations as may be required to determine the relevant index using a formula and method of calculating such index that it reasonably believes will produce the rate that would have been produced by Municipal Market Data as in effect prior to such cessation, change or modification.

**"Standard and Poor's Corporation"** or **"S&P"** shall mean Standard and Poor's Corporation, and any assigns and successors thereto.

**"State"** shall mean the State of Florida.

**"Subordinated Indebtedness"** shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 5.01 hereof.

**"Supplemental Resolution"** shall mean any resolution of the Issuer amending or supplementing this Resolution adopted and becoming effective in accordance with the terms of Sections 7.01, 7.02 and 7.03 hereof.

**"Taxable Bond"** shall mean any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for federal income taxation purposes.

**"Term Bonds"** shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installment.

**"Tourist Development Tax Revenues"** shall mean the amounts received by the Issuer from the following tourist development taxes imposed within the Panama City Beach Tourist Development Tax Sub-District pursuant to Section 125.0104, Florida Statutes, or any portion of such amounts may be as established by Supplemental Resolution, to wit, (1) the tax authorized by Section 125.0104(3)(c), Florida Statutes and levied by Bay County Ordinance No. 86-01 adopted January 7, 1986, (the Bay County 1<sup>st</sup> and 2<sup>d</sup> cents), (2) the tax authorized by Section 125.0104(3)(l), Florida Statutes and levied by Bay County Ordinance No. 09-06 adopted January 20, 2009, (the Bay County 4<sup>th</sup> cent), and (3) the tax authorized by Section 125.0104(3)(n), Florida Statutes, and levied by Bay County Ordinance No. 12-15 adopted July 17, 2012, (the Bay County 5<sup>th</sup> cent).

**"United States Obligations"** shall mean obligations described in paragraph (1) of the definition of "Authorized Investments"; provided, however, that guaranteed obligations of the United States shall not constitute United States Obligations unless the Insurers of and Credit Banks with respect to all Bonds then Outstanding shall have first consented thereto.

**"Unrestricted Revenue Account"** shall mean the separate account in the Revenue Fund established pursuant to Section 4.04 hereof.

**"Variable Rate Bonds"** shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Resolution; the term "heretofore" shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

**SECTION 1.02. AUTHORITY FOR RESOLUTION.** This Resolution is adopted pursuant to the provisions of the Act.



**SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds and any Credit Bank and/or any Insurer and shall be deemed to be and shall constitute a contract between the Issuer and the Holders from time to time of the Bonds and any Credit Bank and/or any Insurer. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and for the benefit, protection and security of any Credit Bank and/or any Insurer. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

**SECTION 1.04. FINDINGS.** It is hereby ascertained, determined and declared:

- (A) That tourism is vital to the economic health of Bay County, Florida and its citizens.
- (B) That the proposed Initial Project promotes tourism by providing infrastructure and facilities whereby competing teams may play and participate and their fans and families travel to Bay County, and will be specifically promoted to tourists.
- (C) That the Initial Project constitutes a publicly owned and operated "sports stadium" and "arena" within the meaning of the Act.
- (D) That the Issuer deems it necessary, desirable and in the best interests of the Issuer that the Initial Project be acquired.
- (E) That the Initial Project shall be financed by the proceeds of the Series 2017 Bonds issued pursuant to this Resolution.
- (F) That the Pledged Funds are not pledged or encumbered in any manner.
- (G) That the estimated Pledged Funds will be sufficient to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution, as the same become due, and all other payments provided for in this Resolution.
- (H) That the principal of and interest on the Bonds to be issued pursuant to this Resolution, and all other payments provided for in this Resolution will be paid solely from the Pledged Funds; and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution and, except as otherwise provided herein, the Bonds shall not constitute a lien upon any property of the Issuer.

**SECTION 1.05. AUTHORIZATION OF INITIAL PROJECT.** The Issuer hereby specifically authorizes the acquisition and construction of the Initial Project.

## **ARTICLE II**

### **AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS**

**SECTION 2.01. AUTHORIZATION OF BONDS.** This Resolution creates an issue of Bonds of the Issuer to be designated as "Bay County, Florida, Tourist Development Tax Revenue Bonds" which may be issued in one or more Series as hereinafter provided. The aggregate principal amount of the Bonds which may be executed and delivered under this Resolution is not limited except as is or may hereafter be provided in this Resolution or as limited by the Act or by law.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued in one or more Series, with such further appropriate particular designations added to or incorporated in such title for the Bonds of any particular Series as the Issuer may determine and as may be necessary to distinguish such Bonds from the Bonds of any other Series. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

The Bonds shall be issued for such purpose or purposes; shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined hereby or by Supplemental Resolution.

The Bonds shall be issued in such denominations and such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agents and Registrars; shall mature in such years and amounts; and the proceeds shall be used in such manner; all as determined by Supplemental Resolution. The Issuer may issue Bonds which may be secured by a Credit Facility or by an insurance policy of an Insurer all as shall be determined by Supplemental Resolution.

#### **SECTION 2.02. AUTHORIZATION AND DESCRIPTION OF SERIES 2017 BONDS.**

(A) A Series of Bonds entitled to the benefit, protection and security of this Resolution are hereby authorized in the aggregate principal amount of not exceeding \$50,000,000 for the principal purposes of funding the Initial Project, funding Additional Projects, funding the appropriate subaccount of the Reserve Account and paying certain costs of issuance incurred with respect to the Series 2017 Bonds however designated. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Bay County, Florida, Tourist Development Tax Revenue Bonds, Series 2017"; provided the Issuer may change such designation in the event that the total amount of Series 2017 Bonds authorized herein are not issued in a simultaneous transaction. As used hereinafter, the term Series 2017 Bonds may refer to such changed designation as the circumstances shall require.

(B) The Series 2017 Bonds shall be dated the date of delivery of the Series 2017 Bonds to the purchaser or purchasers thereof or such other date as may be set forth by Supplemental Resolution of the Issuer; shall be issued as fully registered Bonds; shall be numbered consecutively

from one upward in order of maturity preceded by the letter "R"; shall be in such denominations and shall bear interest at a rate or rates not exceeding the maximum rate permitted by law, payable in such manner and on such dates; shall consist of such amounts of Serial Bonds, Term Bonds, Variable Rate Bonds and Capital Appreciation Bonds; maturing in such amounts and in such years not exceeding forty (40) (or such longer or shorter period as may be permitted by law at the time of issuance) years from their date; shall be payable in such place or places; shall have such Paying Agents and Registrars; and shall contain such redemption provisions; all as the Issuer shall provide hereafter by Supplemental Resolution.

(C) The principal of or Redemption Price, if applicable, on the Series 2017 Bonds are payable upon presentation and surrender of the Series 2017 Bonds at the office of the Paying Agent. Interest payable on any Series 2017 Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. All payments of principal of or Redemption Price, if applicable, and interest on the Series 2017 Bonds 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.

**SECTION 2.03. APPLICATION OF SERIES 2017 BOND PROCEEDS.** Except as otherwise provided by Supplemental Resolution of the Issuer, the proceeds derived from the sale of the Series 2017 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 2017 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(1) A sufficient amount of Series 2017 Bond proceeds shall be deposited in the appropriate subaccount of the Reserve Account which, together with any Authorized Investments and securities on deposit therein and Reserve Account Insurance Policy and/or Reserve Account Letter of Credit obtained in accordance with Section 4.05(A)(4) hereof, shall equal the Reserve Account Requirement for such subaccount.

(2) A sufficient amount of the Series 2017 Bond proceeds shall be applied to the payment of costs and expenses relating to the issuance of the Series 2017 Bonds which must be paid upon delivery of the Series 2017 Bonds. Such amount may, at the option of the Issuer, be deposited in and disbursed from the Construction Fund.

(3) All remaining proceeds of the Series 2017 Bonds shall be deposited into the Construction Fund.

**SECTION 2.04. EXECUTION OF BONDS.** The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Chairman and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer

before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

**SECTION 2.05. AUTHENTICATION.** No Bond of any Series shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.10 hereof.

**SECTION 2.06. TEMPORARY BONDS.** Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.04, and deliver, upon authentication by the Registrar pursuant to Section 2.05 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at its own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Registrar.

**SECTION 2.07. BONDS MUTILATED, DESTROYED, STOLEN OR LOST.** In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like 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 Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a

substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.07 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

**SECTION 2.08. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER.** Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall cause to be maintained and kept, at the office of the Registrar, books for the registration and transfer of the Bonds. Upon the occurrence of an Event of Default pursuant to Section 6.01 hereof which would require an Insurer or Credit Bank to make payments under its Bond Insurance Policy or guarantee, respectively, such Insurer or Credit Bank and their designated agents shall be provided with access to inspect and copy the registration books of the Issuer.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an interest payment date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any

Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and deliver Bonds and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds by the Chairman and Clerk for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be canceled by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the fifteen (15) days next preceding an Interest Date on the Bonds of such Series (other than Capital Appreciation Bonds and Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Upon the occurrence of an Event of Default which would require an Insurer to pay a claim under its bond insurance policy, said Insurer and its designated agent shall be provided with access to the registration books for the particular Series of insured Bonds.

The Issuer may elect to issue any Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by Supplemental Resolution.

**SECTION 2.09. DISPOSITION OF BONDS UPON PAYMENT; SAFEKEEPING OF BONDS SURRENDERED FOR EXCHANGE.** All Bonds fully paid, fully redeemed or purchased by the Paying Agent or otherwise delivered to the Registrar or the Paying Agent for cancellation under the provisions of this Resolution shall be cancelled when such final payment, redemption or purchase is made, and such cancelled Bonds shall be delivered to the Registrar. All cancelled Bonds shall be destroyed by the Registrar by cremation, shredding or other suitable means, and, upon request by the Issuer, the Registrar shall execute and file with the Issuer a certificate of destruction describing the Bonds so destroyed.

Bonds surrendered to the Registrar for transfer or exchange in accordance with Section 2.08 hereof shall be cancelled and destroyed as aforesaid.

**SECTION 2.10. NONPRESENTMENT OF BONDS.** In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at stated maturity or at the date fixed for redemption or purchase thereof, or in the event an interest check shall not be cashed, if cash or Refunding Securities sufficient to pay such Bond or interest shall be held by a Paying Agent for the benefit of the Holder thereof, interest shall cease to accrue on said Bond (and no interest shall accrue on such interest) and all liability of the Issuer to the Holder thereof for the payment of such

Bond or interest shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such cash or Refunding Securities in a segregated trust fund without liability to any Holder, the Issuer or any other Person for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such fund for any claim of whatever nature on such Holder's part under this Resolution or on or with respect to said Bond or interest. Such cash or Refunding Securities in such segregated trust fund shall thereafter no longer be considered part of the Pledged Funds and any such Bond shall no longer be deemed Outstanding under this Resolution.

**SECTION 2.11. BOOK-ENTRY ONLY REGISTRATION FOR SERIES 2017 BONDS.** The Issuer hereby elects to issue the Series 2017 Bonds as book-entry obligations in accordance with the provisions of this Section 2.11. So long as the Series 2017 Bonds remain in book-entry-only form with DTC, the following provisions shall be applicable:

The Series 2017 Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of the Series 2017 Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. Except as provided in this Resolution, all of the Outstanding Series 2017 Bonds shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC. As long as the Series 2017 Bonds shall be registered in the name of Cede & Co., all payments of principal on the Series 2017 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Series 2017 Bonds.

With respect to the Series 2017 Bonds registered in the Bond Register kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (the "Participants"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2017 Bonds, (B) the delivery to any Participant or any other Person other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Series 2017 Bondholder, as shown in the Bond Register kept by the Registrar, of any amount with respect to principal of, redemption premium, if any, or interest on the Series 2017 Bonds. The Issuer, the Registrar and the Paying Agent shall treat and consider the Person in whose name each Series 2017 Bond is registered in the Bond Register as the Holder and absolute Holder of such Bond for the purpose of payment of principal, redemption premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, redemption premium, if any, and interest on the Series 2017 Bonds only to or upon the order of the respective Holders, as shown in the Bond Register, or their respective attorneys-in-fact duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal, redemption premium, if any, and interest on the Series 2017 Bonds.

to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, redemption premium, if any, and interest pursuant to the provisions of this Resolution. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to transfers during the 15 days next preceding an Interest Payment Date or mailing of notice of redemption, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2017 Bonds be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial Holders of the Series 2017 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer, in its sole discretion, that such book-entry only system is burdensome or undesirable to the Issuer, the Series 2017 Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions of this Resolution. In such event, the Issuer shall issue, and the Registrar shall authenticate, transfer and exchange the Series 2017 Bonds of like principal amount and maturity, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Letter of Representations executed by the Issuer and delivered to DTC in order to induce DTC to act as securities depository for the Series 2017 Bonds shall apply to the payment of principal of and interest on the Series 2017 Bonds.

**SECTION 2.12. FORM OF BONDS.** The text of the Bonds, except as otherwise provided pursuant to Section 2.09 hereof and except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution, shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Chairman or the Clerk prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):



No. R-

\$

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
BAY COUNTY, FLORIDA  
TOURIST DEVELOPMENT TAX REVENUE BOND,  
SERIES 2017**

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____%	_____, ____	_____, ____	_____

Registered Holder:

Principal Amount:

**KNOW ALL MEN BY THESE PRESENTS**, Bay County, a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on \_\_\_\_\_ and \_\_\_\_\_ of each year commencing \_\_\_\_\_ until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

Such Principal Amount and interest and the premium, if any, on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. Such Principal Amount and the premium, if any, on this Bond, are payable, upon presentation and surrender hereof, at the principal corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as Paying Agent. Payment of each installment of interest shall be made to the person in whose name this Bond shall be registered on the registration books of the Issuer maintained by \_\_\_\_\_, \_\_\_\_\_, as Registrar, at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding each interest payment date and shall be paid by a check or draft of such Paying Agent mailed to such Registered Holder at the address appearing on such registration books or, at the option of such Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Holder.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued to finance \_\_\_\_\_, in and for the Issuer, under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, Florida Statutes, Section 125.0104, Florida Statutes, and other applicable provisions of law (the "Act"), and a resolution duly adopted by the Board of County Commissioners of the Issuer on \_\_\_\_\_, 2016, as supplemented (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

This Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of (1) the Tourist Development Tax Revenues (as defined in the Resolution) and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in certain of the funds and accounts established by the Resolution, all in the manner and to the extent described in the Resolution (collectively, the "Pledged Funds").

It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer, the State of Florida, or any political subdivision thereof, are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any ad valorem taxing power of the Issuer, the State of Florida, or any political subdivision thereof, to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon any property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Funds.

Neither the members of the Board of County Commissioners of the Issuer nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE SIDE HEREOF AND SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FRONT SIDE HEREOF.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

**IN WITNESS WHEREOF**, Bay County, Florida has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Chairman of its Board of County Commissioners and by the manual or facsimile signature of the Clerk of the Board of County Commissioners and its official seal or a facsimile thereof to be affixed or reproduced hereon, all as of the \_\_ day of \_\_\_\_\_, 20\_\_.

**BAY COUNTY, FLORIDA**

(SEAL)

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Chairman  
Board of County Commissioners

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Clerk  
Board of County Commissioners

(Provisions on Reverse Side of Bond)

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of the Bonds during the fifteen (15) days next preceding an interest payment date or, in the case of any proposed redemption of the Bonds, then, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption.

(INSERT REDEMPTION PROVISIONS)

Redemption of this Bond under the preceding paragraphs shall be made as provided in the Resolution upon notice given by first class mail sent at least thirty (30) days prior to the redemption date to the Registered Holder hereof at the address shown on the registration books maintained by the Registrar; provided, however, that failure to mail notice to the Registered Holder hereof, or any defect therein, shall not affect the validity of the proceedings for redemption of other Bonds as to which no such failure or defect has occurred. In the event that less than the full principal amount hereof shall have been called for redemption, the Registered Holder hereof shall surrender this Bond in exchange for one or more Bonds in an aggregate principal amount equal to the unredeemed portion of principal, as provided in the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the pledge and covenants securing this Bond, the nature, manner and extent of enforcement of such pledge and covenants, the rights, duties, immunities and obligations of the Issuer.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in connection with the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

## ASSIGNMENT

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto

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Insert Social Security or Other Identifying Number of Assignee

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(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, as attorneys to register the transfer of the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

**NOTICE:** Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

**NOTICE:** The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

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

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of  
survivorship and not as tenants  
in common

UNIF TRANS MIN ACT -- \_\_\_\_\_  
(Cust.)

Custodian for

under Uniform Transfers to Minors Act of \_\_\_\_\_  
(State)

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

## **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds of the Issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

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By:  
Authorized Officer

## **ARTICLE III**

### **REDEMPTION OF BONDS**

**SECTION 3.01. PRIVILEGE OF REDEMPTION.** The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution. No optional redemption of Bonds may occur hereunder if any amounts remain due and owing to the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit. The terms and conditions respecting optional or mandatory redemption of any Bonds shall be specified by resolution awarding the sale of the Bonds.

**SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED.** The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least sixty (60) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than forty-five (45) days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer and, by lot within a maturity, in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

**SECTION 3.03. NOTICE OF REDEMPTION.** Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agents of such Bonds, and (B) shall be mailed first class, postage prepaid, at least thirty (30) days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar. Failure to mail notice to the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the validity of the proceedings of redemption of such Bonds as to which no such failure or defect has occurred.

Each notice of redemption shall state: (1) the CUSIP numbers of all Bonds being redeemed; (2) the original issue date of such Bonds; (3) the maturity date and rate of interest borne by each Bond being redeemed; (4) the redemption date; (5) the Redemption Price; (6) the date on which such notice is mailed; (7) if less than all Outstanding Bonds are to be redeemed the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed; (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to



accrue and be payable; (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the redemption price at the principal office of the Paying Agent at an address specified; and (10) the name and telephone number of a person designated by the Paying Agent to be responsible for such redemption.

Within 60 days after the date of redemption, the Paying Agent shall give a second notice of redemption by mailing another copy of the redemption notice to the Holders of Bonds called for redemption but which have not been presented for payment within 30 days after the date set for redemption.

In addition to the mailing of the notice described above, each notice of redemption and payment of the Redemption Price shall meet the following requirements; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

(a) Each further notice of redemption shall be sent by certified mail or overnight delivery service or telecopy to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to two or more national information services which disseminate notices of prepayment or redemption of obligations such as the Bonds.

(b) Each further notice of redemption shall be sent to such other Person, if any, as shall be required by applicable law or regulation.

The Issuer may provide that a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders not later than three Business Days after the Issuer determines that such conditions will not be satisfied.

**SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS.** Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

**SECTION 3.05. PAYMENT OF REDEEMED BONDS.** Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be cancelled by the Registrar and shall not be reissued.

## **ARTICLE IV**

### **SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF**

**SECTION 4.01. BONDS NOT TO BE INDEBTEDNESS OF ISSUER.** The Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the Issuer, payable solely from and secured by a prior lien upon and pledge of the Pledged Funds in accordance with the terms of this Resolution. No Holder of any Bond or any Credit Bank or Insurer shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Bond, or be entitled to payment of such Bond from any moneys of the Issuer except from the Pledged Funds in the manner provided herein.

The Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

#### **SECTION 4.02. SECURITY FOR BONDS.**

The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds and the payment of any amounts owed to the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit securing any Series of Bonds shall be secured forthwith equally and ratably by a pledge of and prior lien upon the Pledged Funds; provided, however, a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy in addition to the security provided herein; and provided further that each Series of Bonds shall be secured independently of any other Series of Bonds by the corresponding subaccount in the Reserve Account, except as otherwise provided herein. The pledge of the Pledged Funds with respect to any obligations owed to the issuer of a Reserve Account Insurance Policy or Reserve Account Letter of Credit shall be deemed to be subordinate to the lien on and pledge of the Pledged Funds to the holders of the Bonds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds and to amounts due to each Reserve Account Insurance Policy provider, Reserve Account Letter of Credit provider, Credit Bank and Insurer in accordance with the provisions hereof. Except as otherwise provided by Supplement Resolution, the obligation of the Issuer to make Hedge Payments to a Counterparty pursuant to a Qualified Hedge Agreement shall be on parity with the Bonds as to lien on and pledge of the Pledged Funds in accordance with the terms hereof (any other payments related to a Qualified Hedge Agreement, including fees, penalties, termination payments and the obligation to collateralize, shall be Subordinated Indebtedness of the Issuer).

**SECTION 4.03. CONSTRUCTION FUND.** The Issuer covenants and agrees to establish a separate fund, to be known as the "Bay County Tourist Development Tax Revenue Bond Construction Fund," which shall be used only for payment of the Costs of the Projects. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner hereinafter provided, shall be held in trust by the Issuer and shall be subject to a lien and charge in

favor of the Holders of the Bonds and for the further security of such Holders. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution or Supplemental Resolution.

The Issuer shall establish within the Construction Fund a separate account for the Initial Project and each Additional Project, the Cost of which is to be paid in whole or in part out of the Construction Fund. At the Issuer's option, it may by Supplemental Resolution enter into a funding agreement with the Panama City Beach Convention and Visitors Bureau, Inc. to provide for disbursement of Bond proceeds to fund the Costs of the Initial Project.

The Issuer covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices.

Notwithstanding any of the other provisions of this Section 4.03, to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of principal and interest on Bonds when due.

The date of completion of any Project shall be determined by the Authorized Issuer Officer who shall certify such fact in writing to the Governing Body. Promptly after the date of the completion of a Project, and after paying or making provisions for the payment of all unpaid items of the Cost of such Project, the Issuer shall deposit in the following order of priority any balance of moneys remaining in the Construction Fund in (1) another account of the Construction Fund for which the Authorized Issuer Officer has stated that there are insufficient moneys present to pay the Cost of the related Project, (2) the Reserve Account, to the extent of a deficiency therein, and (3) such other fund or account established hereunder as shall be determined by the Governing Body, provided the Issuer has received an opinion of Bond Counsel to the effect that such transfer shall not adversely affect the exclusion, if any, of interest on the Bonds from gross income for purposes of federal income taxation.

**SECTION 4.04. FUNDS AND ACCOUNTS.** The Issuer covenants and agrees to establish separate funds to be known as the "Bay County Tourist Development Tax Revenue Bond Revenue Fund", the "Bay County Tourist Development Tax Revenue Bond Debt Service Fund" and the "Bay County Tourist Development Tax Revenue Bond Rebate Fund." The Issuer shall maintain in the Debt Service Fund two accounts: the "Payment Account" and the "Reserve Account." Moneys in the aforementioned funds and accounts, other than the Rebate Fund, until applied in accordance with the provisions hereof, shall be subject to a prior lien and charge in favor of the Holders of the Bonds and recipients of Hedge Payments for the further security of such Holders.

The Issuer shall at any time and from time to time appoint one or more depositories to hold, for the benefit of the Bondholders, any one or more of the funds and accounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of 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 Issuer and its agent and employees. Any such depository shall be either the Florida State Board of Administration or a bank or trust company duly authorized to

exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and eligible under the laws of the State to receive funds of the Issuer.

#### **SECTION 4.05. FLOW OF FUNDS.**

(A) The Issuer shall promptly deposit, within two Business Days after receipt thereof, the Tourist Development Tax Revenues into the Revenue Fund. The moneys in the Revenue Fund shall be deposited or credited on or before the last day of each month, commencing in the month immediately following delivery of any of the Bonds to the purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

(1) Payment Account. The Issuer shall deposit or credit to the Payment Account from the Revenue Fund the sum which, together with the balance on deposit in said Payment Account (which may include any other lawfully available funds transferred by the Issuer into such account), shall equal the interest on all Bonds outstanding (except as to Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. All Hedge Receipts, if any, shall also be deposited directly to the Payment Account upon receipt. With respect to interest on Bonds which the Issuer has determined are subject to a Hedge Payment, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. The Issuer shall also deposit or credit to the Payment Account the sum which, together with the balance in said Account (which may include any other lawfully available funds transferred by the Issuer into such account), shall equal the principal amounts on all Bonds Outstanding due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having 30 days each) in equal amounts from the next preceding principal payment due date, or, if there be no such preceding principal payment due date from a date one year preceding the due date of such principal amount. Commencing in the month which is one year prior to the first Amortization Installment, there shall also be deposited or credited to the Payment Account the sum which, together with the balance in such account, shall equal the Amortization Installments on all Term Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Term Bonds Outstanding next due which would have accrued on such Term Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having 30 days each) in equal amounts from the next preceding Amortization Installment due date, or, if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment.

Moneys in the Payment Account shall be used (a) to pay interest, principal and Amortization Installments on all Outstanding Bonds, on a pro-rata basis, as and when the same become due, whether by redemption or otherwise, and (b) for Hedge Payments, and for no other purpose. The Issuer shall adjust the amount of the deposit into the Payment Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Payment Account to pay the interest, principal and Amortization Installments on the Bonds coming due on such

Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Payment Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Qualified Hedge Agreement Counterparty relating to such Bonds shall be paid to the Qualified Hedge Agreement Counterparty on a parity basis with the aforesaid required payments into the Payment Account. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be 120% of the average of the SIFMA Index over a 12 month period of time ending on the date immediately prior to the commencement of such calendar month.

Serial Capital Appreciation Bonds shall be payable from the Payment Account in the Bond Year in which such Bonds mature and monthly deposits or credits into the Payment Account shall commence in the month which is one year prior to the date on which such Bonds mature.

Amounts accumulated in the Payment Account with respect to any Amortization Installment (together with amounts accumulated in the Payment Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the Issuer, on or prior to the sixtieth (60th) day preceding the due date of such Amortization Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Payment Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth (60th) day preceding the due date of any such Amortization Installment, the Issuer shall proceed to call for redemption on such due date, by causing notice to be given as provided in Section 3.03 hereof, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The Issuer shall pay out of the Payment Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the Issuer from the Revenue Fund.

(2) Reserve Account. The Issuer shall establish within the Reserve Account a separate subaccount for each Series of Bonds issued hereunder. At the option of the Issuer, a subaccount may secure more than one Series of Bonds. The moneys on deposit in each such subaccount shall be applied in the manner provided herein solely for the payment of maturing principal of, Redemption Price, if applicable (provided that the Reserve Account may only be applied to the payment of redemption price if all Bonds will be redeemed), or interest or Amortization Installments on the Series of Bonds for which it is designated and shall not be available to pay debt service on any other Series.

There shall be deposited to each subaccount of the Reserve Account such sum, if any, as will be necessary to immediately restore any funds on deposit in each such subaccount to an amount equal to the Reserve Account Requirement applicable thereto including the reinstatement of any Reserve Account Insurance Policy or Reserve Account Letter of Credit on deposit therein; provided, in no event shall the amount deposited in the subaccounts of the applicable Reserve Account be less than one twelfth (1/12) of the amount which would enable the Issuer to restore the funds on deposit in each such subaccount to an amount equal to the Reserve Account Requirement in one (1) year from the date of such shortfall. Such obligation to replenish the Reserve Account shall be payable from amounts on deposit in the Revenue Fund after the deposits required in paragraph (1) above. To the extent there are insufficient moneys in the Revenue Fund to make the required monthly deposit into each subaccount of the Reserve Account, such deposits shall be made to each subaccount on a pro rata basis in relation to the amount of the deficiency existing in each subaccount. On or prior to each principal and interest payment date for the Bonds, moneys in each subaccount of the Reserve Account shall be applied by the Issuer to the payment of the principal of, or Redemption Price, if applicable, and interest on related Series of Bonds to the extent moneys in the Payment Account and the Revenue Fund are insufficient therefor. Whenever there shall be surplus moneys in any subaccount of the Reserve Account by reason of a decrease in the Reserve Account Requirement or due to a deposit of a Reserve Account Letter of Credit or Reserve Account Insurance Policy, such surplus moneys shall be deposited by the Issuer, upon receipt of an approving opinion of Bond Counsel, on a pro rata basis into other subaccounts, if any, containing less than the Reserve Account Requirement applicable thereto, and otherwise, into the Payment Account.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the corresponding subaccount of the Reserve Account established for such Series in an amount at least equal to the Reserve Account Requirement applicable to such Series of Bonds; provided, that in the case of Variable Rate Bonds, no such Reserve Account Requirement shall be required. Such required amount shall be paid in full from the proceeds of such Series of Bonds or other sources, on the date of delivery of such Series of Bonds.

Notwithstanding the foregoing provisions, in lieu of the required deposits into a subaccount of the Reserve Account, the Issuer may, with the prior written consent of each Insurer and Credit Bank, as applicable, insuring or guaranteeing such Series of Bonds, cause to be deposited into such subaccount a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in such subaccount, if any. Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent for such Series (upon the giving of notice as required thereunder) on any interest payment or redemption date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose. The issuer providing such Reserve Account Insurance Policy shall be an insurer licensed to issue an insurance policy guaranteeing the timely payment of debt service on a Series of Bonds, whose claims-paying ability is rated in one of the three highest rating categories by at least one of Moody's, Standard & Poor's or Fitch (without regard to gradations, such as "plus" or "minus" or "1", "2" or "3". A Reserve Subaccount Letter of Credit issued to the Paying Agent, as agent of the Bondholders, by a bank may be deposited in the Reserve Subaccount to meet the Reserve Subaccount Requirement if the issuer

thereof is rated in one of the two highest rating categories by at least one of Moody's, Standard & Poor's or Fitch (without regard to gradations, such as "plus" or "minus" or "1", "2" or "3". In addition, such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be for a term of not less than twelve (12) months (or, if the Bonds will mature in full within twelve months, such term shall end not earlier than the final maturity of the Bonds). Any Reserve Account Letter of Credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Bonds. The draws shall be payable within two days of presentation of the sight draft. The Reserve Account Letter of Credit shall be for a term of not less than three years and shall be subject to an "evergreening" feature so as to provide the Issuer with at least 30 months notice of termination. The issuer of the Reserve Account Letter of Credit shall be required to notify the Issuer and the Paying Agent, not later than 30 months prior to the stated expiration date of the Reserve Account Letter of Credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date.

Cash on deposit in any subaccount of the Reserve Account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on a Reserve Account Letter of Credit or Reserve Account Insurance Policy. If and to the extent a Reserve Account Letter of Credit and Reserve Account Insurance Policy are deposited into a Reserve Account subaccount or more than one Reserve Account Letter of Credit or Reserve Account Insurance Policy are deposited into a Reserve Account subaccount, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

The right of the issuer of a Reserve Account Letter of Credit to payment or reimbursement of its fees and expenses shall be senior to cash replenishment of the applicable subaccount of the Reserve Account. The Reserve Account Letter of Credit or Reserve Account Insurance Policy shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid, plus interest and expenses. If the revolving feature is suspended or terminated for any reason other than nonpayment of amounts due to such provider, the right of the issuer of the Reserve Account Letter of Credit or Reserve Account Insurance Policy to reimbursement will be subordinated to cash replenishment of the applicable subaccount of the Reserve Account to an amount equal to the difference between the full original amount available under the Reserve Account Letter of Credit or Reserve Account Insurance Policy and the amount then available for further draws or claims.

If fifteen (15) days prior to an interest payment or redemption date, the Issuer shall determine in regard to a Series of Bonds to which a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit has been deposited in the subaccount of the Reserve Account related to such Series that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on such Series of Bonds on such date, the Issuer shall immediately notify (i) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit, (ii) the Insurer, if any, of such Series of Bonds, of the amount of such deficiency and the date on which such payment is due, and (iii) take or cause the Paying Agent

to take whatever action may be required to effectuate a disbursement under said Reserve Account Insurance Policy and/or Reserve Account Letter of Credit in order to fund such deficiency.

If a disbursement is made from a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit provided pursuant to this Section 4.05(A)(2), the Issuer shall reinstate the maximum limits of such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit following such disbursement from moneys available hereunder in accordance with the provisions of the second paragraph of this Section 4.05(A)(2), subject to the provisions set forth in the fifth paragraph of this Section 4.05(A)(2), by depositing funds in the amount of the disbursement made under such instrument with the issuer thereof, together with interest thereon to the date of reimbursement at the rate set forth in such Reserve Account Insurance Policy or agreement relating thereto or such Reserve Account Letter of Credit, but in no case greater than the maximum rate of interest permitted by law. In addition, the Issuer shall, subject to the provisions set forth in the fifth paragraph of this Section 4.05(A)(2), reimburse the issuer of the Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit for all reasonable expenses incurred by such issuer in connection with the Reserve Account Insurance Policy or the Reserve Account Letter of Credit, as the case may be.

(3) Payments to Providers of Reserve Account Letters of Credit or Reserve Account Insurance Policies. Any remaining amounts in the Revenue Fund shall be used to pay any outstanding amounts owed to any Insurer or provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit.

(4) Subordinate Indebtedness. Any remaining amounts in the Revenue Fund shall next be used to pay any outstanding amounts then due and payable with respect to Subordinate Indebtedness.

(5) Surplus Funds. The balance of any moneys remaining in the Revenue Fund after the payments and deposits required by Section 4.05(A)(1), (2) and (3) may be transferred, at the discretion of the Issuer, to any other appropriate fund or account of the Issuer and be used for any lawful purpose.

(B) Whenever the amount on deposit in a subaccount of the Reserve Account (other than amounts available under a Reserve Account Insurance Policy or Reserve Account Letter of Credit), together with the other amounts in the Debt Service Fund, are sufficient to fully pay the corresponding Series of all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), no further deposits to the Debt Service Fund for such Series need be made and the funds on deposit in such subaccount of the Reserve Account may be transferred to the other accounts of the Debt Service Fund for the payment of the Bonds.

The Issuer, in its discretion, may use moneys in the Payment Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the Issuer's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.



(C) At least three (3) business days prior to the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

(D) In the event the Issuer shall issue a Series of Bonds secured by a Credit Facility, the Issuer may establish such separate subaccounts in the Payment Account, to provide for payment of the principal of and interest on such Series; provided one Series of Bonds shall not have preference in payment from Pledged Funds over any other Series of Bonds. The Issuer may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in this Section 4.05 as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds.

In the case of Bonds secured by a Credit Facility, amounts on deposit in any subaccounts established for such Bonds may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of or Redemption Price, if applicable, and interest on such Bonds; provided such Credit Facility shall have no priority over Bondholders or the Insurer or any provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit to amounts on deposit in the Debt Service Fund.

**SECTION 4.06. INVESTMENTS.** The Construction Fund, the Revenue Fund and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Revenue Fund and the Debt Service Fund, other than the Reserve Account, may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such fund or account. Moneys on deposit in the Reserve Account may be invested or reinvested in Authorized Investments which shall mature no later than five (5) years from the date of acquisition thereof. Notwithstanding any other provision hereof, all amounts on deposit in the Construction Fund or Payment Account representing accrued or capitalized interest shall be held by the Issuer, shall be pledged solely to the payment of interest on the corresponding Series of Bonds and shall be invested only in United States Obligations maturing at such times and in such amounts as are necessary to pay the interest to which they are pledged.

Any and all income received by the Issuer from the investment of moneys in the Construction Fund, the Payment Account, the Revenue Fund and each subaccount of the Reserve Account (to the extent such income and the other amounts therein are less than the Reserve Account Requirement applicable thereto), shall be retained in such respective Fund, Account or subaccount. Any and all income received by the Issuer from the investment of moneys in each subaccount of the Reserve Account (to the extent such income and the other amounts therein are greater than the Reserve Account Requirement applicable thereto) shall be deposited in the Payment Account. All investments shall be valued at the lower of market value (exclusive of accrued interest) and cost.

Nothing contained in this Resolution shall prevent any Authorized Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Investments (except investment agreements) in funds and accounts established under this Resolution shall be valued by the Issuer as frequently as deemed necessary by any Insurer or Credit Bank, but not less often than semi-annually, and, in the case of the Reserve Account, upon any draw therefrom, nor more often than monthly, at the market value thereof, exclusive of accrued interest.

The Issuer shall terminate any repurchase agreement upon a failure of the counterpart thereto to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterpart in federal funds against transfer of the repo securities, liquidate the collateral.

The Issuer shall give notice to any provider of an investment agreement in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid.

The Paying Agent or the Issuer shall, upon actual knowledge of the withdrawal or suspension of either of the ratings of an investment agreement provider or a drop in the ratings thereon below "A", so notify each Insurer and Credit Bank and, if so directed by such Insurer or Credit Bank, shall demand further collateralization of the agreement or liquidation thereof.

**SECTION 4.07. SEPARATE ACCOUNTS.** The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

The designation and establishment of the various funds, accounts and subaccounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

**SECTION 4.08. REBATE FUND.** The Issuer shall deposit in the Rebate Fund such amounts as shall be directed in writing by an Authorized Issuer Officer and used solely to make required rebates to the United States (except to the extent the same may be transferred to the Revenue Fund) and the Bondholders shall have no right to have the same applied for debt service on the Bonds. For any Series of Bonds for which the rebate requirements of Section 148(f) of the Code are applicable, the Issuer agrees to undertake all actions required of it in its arbitrage certificate relating to such Series of Bonds, including, but not limited to:

(A) making a determination in accordance with the Code of the amount required to be deposited in the Rebate Fund;

- (B) depositing the amount determined in clause (A) above into the Rebate Fund;
- (C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally. The Trustee available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and
- (D) keeping such records of the determinations made pursuant to this Section 4.08 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

The provisions of the above-described arbitrage certificates may be amended without the consent of any Holder, Credit Bank or Insurer from time to time as shall be necessary, in the opinion of Bond Counsel, to comply with the provisions of the Code.

## **ARTICLE V**

### **SUBORDINATED INDEBTEDNESS, ADDITIONAL BONDS, AND COVENANTS OF ISSUER**

**SECTION 5.01. SUBORDINATED INDEBTEDNESS.** The Issuer will not issue any other obligations, except under the conditions and in the manner provided herein, payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon and the recipients of Hedge Payments. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution and provided, further, that such evidence of indebtedness shall provide by its terms that it cannot be accelerated unless the Bonds have been previously accelerated. The Issuer covenants and agrees that any payment schedule with respect to Subordinate Indebtedness shall be funded from Pledged Funds in substantially equal monthly amounts of one-sixth of semi-annual interest payments and one-twelfth of scheduled annual principal or mandatory amortization payments. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to Section 5.02 hereof. The Issuer agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

**SECTION 5.02. ISSUANCE OF ADDITIONAL BONDS.** No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing the Cost of an Additional Project, or the completion thereof or of the Initial Project, or refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the Issuer.

No such Additional Bonds shall be issued (i) if there is an Event of Default hereunder unless such issuance will cure such Event of Default and (ii) unless the following conditions are complied with:

(A) Except as otherwise provided in Section 5.02(D) hereof, there shall have been obtained and filed with the Issuer a statement of an independent certified public accountant of reasonable experience and responsibility: (1) stating that the books and records of the Issuer relating to the Tourist Development Tax Revenues have been examined by him; (2) setting forth the amount of the Tourist Development Tax Revenues which have been received by the Issuer during any twelve (12) consecutive months designated by the Issuer within the twenty-four (24) months immediately preceding the date of delivery of such Additional Bonds with respect to which such statement is made; and (3) stating that the amount of the Tourist Development Tax Revenues received during the aforementioned 12-month period equals at least (a) such percentage of the Maximum Annual Debt Service of all Bonds then Outstanding and such Additional Bonds with respect to which such

statement is made as established by Supplemental Resolution and (b) any amounts then owing to the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy as a result of a drawdown on such Reserve Account Letter of Credit or Reserve Account Insurance Policy, plus 1.0 times the maximum annual debt service on any Subordinated Indebtedness outstanding. In the event the Act is amended to provide for additional tourist development tax revenues to be distributed to the Issuer, and the Issuer, by Supplemental Resolution, extends the pledge of the Tourist Development Tax Revenues created hereby to include such additional Tourist Development Tax revenues, then for the purpose of determining whether there are sufficient Tourist Development Tax Revenues to meet the afore-referenced tests, the independent certified public accountant shall assume that such additional Tourist Development Tax revenues were in effect during the applicable twelve (12) consecutive month period.

(B) For the purpose of determining the Maximum Annual Debt Service under Section 5.02(A) hereof, the interest rate on additional parity Variable Rate Bonds then proposed to be issued and on Outstanding Variable Rate Bonds shall be deemed to be 120% of the average of the SIFMA Index over a two year period of time ending on the date immediately prior to the sale of such Additional Bonds. For the purpose of determining the Maximum Annual Debt Service under Section 5.02 (A) hereof, the interest rate on Outstanding Variable Rate Bonds shall be deemed to be (1) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the date of sale of such Additional Bonds, the highest rate of interest borne by such Variable Rate Bonds during the 24 months ending on the date immediately prior to the sale of such Additional Bonds, or (2) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of sale of such Additional Bonds, 120% of the average of the SIFMA Index over a two year period of time ending on the date immediately prior to the sale of such Additional Bonds.

(C) Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to this Resolution. Except as provided in Sections 4.02 and 4.05 hereof, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other.

(D) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 5.02 hereof shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of the aggregate Debt Service on the Bonds. The conditions of Section 5.02(A) hereof shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of the first sentence in this paragraph.

(E) In the event that the total amount of Series 2017 Bonds herein authorized to be issued are not issued simultaneously, such Series 2017 Bonds which are subsequently issued shall be subject to the conditions of Section 5.02(A) hereof.

(F) No Additional Bonds shall be issued hereunder if any Event of Default shall have occurred and be continuing hereunder.

**SECTION 5.03. BOND ANTICIPATION NOTES.** The Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by resolution of the Issuer.

**SECTION 5.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS.** The Issuer may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Issuer shall meet all the requirements imposed upon the issuance of Additional Bonds by Section 5.02 hereof, assuming, for purposes of said requirements, that such Subordinated Indebtedness shall be Additional Bonds, and (B) a subaccount in the Reserve Account is established, upon such accession, which shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.05(A)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

**SECTION 5.05. BOOKS AND RECORDS.** The Issuer will keep books and records of the receipt of the Tourist Development Tax Revenues in accordance with generally accepted accounting principles, and any Credit Bank, Insurer, or Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the Issuer relating thereto.

**SECTION 5.06. ANNUAL AUDIT.** The Issuer shall, after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenditures and changes in fund balance, and any other statements as required by law or accounting convention, and a report by such accountants disclosing any material default on the part of the Issuer of any covenant or agreement herein which is disclosed by the audit of the financial statements. The annual financial statement shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to each Credit Bank and Insurer and, if requested in writing, to any Holder of a Bond who shall have furnished his address to the Clerk. The Issuer shall be permitted to make a reasonable charge for furnishing such audited financial statements, except for copies furnished to any Insurer or Credit Bank.

**SECTION 5.07. NO IMPAIRMENT.** The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the Board of County Commissioners.

**SECTION 5.08. COLLECTION OF TOURIST DEVELOPMENT TAX REVENUES.** The Issuer will proceed diligently to perform legally and effectively all steps required on its part in

the collection of the Tourist Development Tax Revenues and shall exercise all legally available remedies to enforce such collections now or hereafter available under State law.

**SECTION 5.09. COVENANTS WITH CREDIT BANKS AND INSURERS.** The Issuer may make such covenants as it may, in its sole discretion, determine to be appropriate with any Insurer, Credit Bank or other financial institution that shall agree to insure or to provide for Bonds of any one or more Series credit or liquidity support that shall enhance the security or the value of such Bonds. Such covenants may be set forth in the applicable Supplemental Resolution and shall be binding on the Issuer, the Registrar, the Paying Agent and all the Holders of Bonds the same as if such covenants were set forth in full in this Resolution.

**SECTION 5.10. FEDERAL INCOME TAX COVENANTS; TAXABLE BONDS.**

(A) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds), that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be included in gross income for purposes of federal income taxation to the extent not otherwise included therein on the date of issuance of each such Series.

(B) The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Series of Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause such Series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Series of Bonds to become subject to inclusion within gross income for purposes of federal income taxation.

(C) The Issuer hereby covenants with the Holders of each Series of Bonds (other than Taxable Bonds) that it will comply with all provisions of the Code necessary to maintain the exclusion from gross income of interest on the Bonds for purposes of federal income taxation, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(D) The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income taxation purposes, so long as each Bond of such Series states in the body thereof that interest payable thereon is (or may be) subject to federal income taxation and provided that the issuance thereof will not cause the interest on any other Bonds theretofore issued hereunder to be or become subject to federal income taxation. The covenants set forth in paragraphs (A), (B) and (C) above shall not apply to any Taxable Bonds.

**SECTION 5.11. RESIGNATION AND REMOVAL OF PAYING AGENT AND REGISTRAR.** No resignation or removal of the Paying Agent or Registrar shall become effective until a successor has accepted the duties thereof. Each Insurer and Credit Bank shall be furnished with written notice of the resignation or removal of the Paying Agent and Registrar and the appointment of any successor thereto.

**SECTION 5.12. BOND INSURANCE.** The Chairman is hereby authorized to execute a separate Insurance Agreement with any Insurer with respect to a Series of Bonds to be insured by such Insurer, setting forth the terms of payments under said Insurer's policy and providing any additional covenants for the benefit of such Insurer.

**SECTION 5.13. HEDGE AGREEMENTS.** Each Counterparty to a Qualified Hedge Agreement shall meet the Initial Rating Requirement. For the period the Counterparty does not fall below "Baa2" by Moody's or "BBB" by Standard & Poor's (the "Minimum Rating Requirement"), interest on Bonds subject to a Qualified Hedge Agreement with such Counterparty shall be deemed to be the Hedge Payments for purposes of the definition of "Debt Service." For any period the Counterparty does not satisfy the Minimum Rating Requirement and is not replaced by a Counterparty that meets the Initial Rating Requirement, interest on Bonds subject to a Qualified Hedge Agreement with such Counterparty shall be the actual interest on such Bonds (not taking into account the Hedge Payments) for purposes of the definition of "Debt Service." The above-described requirements for a Counterparty to a Qualified Hedge Agreement and the inclusion or exclusion of Hedge Payments for purposes of the definition of "Debt Service" may be waived in writing by the Credit Bank(s) and the Insurer(s) of the Bonds. For purposes of determining the Reserve Account Requirement, interest on any Bonds during such period of time it is subject to a Qualified Hedge Agreement shall be deemed to be the Hedge Payments; provided the Counterparty does not fall below the Minimum Rating Requirement described above. During such time as interest on such Bonds is not subject to a Qualified Hedge Agreement or the Counterparty thereto does not meet the Minimum Rating Requirement, the interest rate on such Bonds shall be the actual interest rate on the Bonds or, if Variable Rate Bonds, determined as provided in the definition of Reserve Account Requirement for Variable Rate Bonds.

**SECTION 5.04. PROMOTION OF EACH PROJECT TO TOURISTS.** The Issuer will proceed diligently to perform legally and effectively all steps required on its part to Promote each Project acquired and constructed with proceeds of the Bonds as a sports tourism venue in order to attract tourists to visit Panama City Beach and Bay County as a vacation and competitive sports destination.



## ARTICLE VI

### DEFAULTS AND REMEDIES

**SECTION 6.01. EVENTS OF DEFAULT.** The following events shall each constitute an "Event of Default":

(A) Default shall be made by the Issuer in the payment of the principal of, Amortization Installment, redemption premium or interest on any Bond when due. In determining whether a payment default has occurred, no effect shall be given to payments made under a Bond Insurance Policy or a Credit Facility.

(B) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of ninety (90) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding or the Insurer of or Credit Bank with respect to such amount of Bonds. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time (not exceeding ninety days unless otherwise approved by each Insurer and Credit Bank) and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

The Paying Agent shall provide each Insurer and Credit Bank with immediate notice of any payment default, and notice of any other default known to the Paying Agent within five Business Days of the Paying Agent's knowledge thereof.

**SECTION 6.02. REMEDIES.** Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders 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 under the Laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare any Bonds immediately due and payable without the consent of the affected Insurer except to the extent the acceleration of any

Variable Rate Bonds is provided for in a Supplemental Resolution, the provisions of which are approved by the Insurer.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trustee hereunder, no further trustees may be appointed; however, the holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

**SECTION 6.03. DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS.** The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer or Credit Bank insuring or guaranteeing any then Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Series of Bonds owned by such Holders or insured by such Insurer or guaranteed by such Credit Bank, provided that such direction shall require the consent of any Insurer or Credit Bank for the corresponding Series of Bonds and shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction of Holders which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

**SECTION 6.04. REMEDIES CUMULATIVE.** No remedy herein conferred upon or reserved to the Bondholders and any Insurers or Credit Banks is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**SECTION 6.05. WAIVER OF DEFAULT.** No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 hereof to the Bondholders may be exercised from time to time, and as often as may be deemed expedient. No waiver of any Event of Default hereunder shall be granted without the prior written consent of each Insurer and Credit Bank.

**SECTION 6.06. APPLICATION OF MONEYS AFTER DEFAULT.** If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds (except as for amounts in the subaccounts of the

Reserve Account which shall be applied solely to the payment of the Series of Bonds for which they were established) as follows and in the following order:

A. To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder and any expenses owing to any Insurer;

B. To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

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

**FIRST:** to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

**SECOND:** to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

**THIRD:** to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(2) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

(C) To the payment of all fees due any Insurer, Credit Bank, provider of a Reserve Account Insurance Policy or provider of a Reserve Account Letter of Credit.

Nothing contained herein shall permit the Issuer or any trustee to fail to liquidate Authorized Investments in the Debt Service Fund, including any Reserve Account established therein, and apply amounts credited to such funds to the payment of debt service on any Interest Payment Date.

**SECTION 6.07. CONTROL BY INSURER OR CREDIT BANKS.** Upon the occurrence and continuance of an Event of Default, each Insurer or Credit Bank, if such Insurer or Credit Bank is not in default in its payment obligations under its Bond Insurance Policy or guarantee, as applicable, shall be entitled to direct and control the enforcement of all right and remedies with respect to the Bonds it shall insure or guarantee. Each Insurer or Credit Bank shall, in consideration of the issuance of its Bond Insurance Policy, be deemed to be the sole holder of the Bonds insured or guaranteed by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the owners of the Bonds insured by it are entitled to take pursuant to Article VI hereof and the provisions hereunder relating to the Paying Agent. Any exercise by an Insurer of the foregoing rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of such Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent of the Insurer.

The rights of an Insurer to direct or consent to the Issuer, any trustee or Bondholder actions hereunder shall be suspended during any period in which said Insurer is in default in its payment obligations under its Bond Insurance Policy (except to the extent of amounts previously by said Insurer and due and owing to the Insurer) and shall be of no force or effect in the event the Bond Insurance Policy is no longer in effect or an Insurer asserts that its Bond Insurance Policy is not in effect or the Insurer shall have provided written notice that it waives such rights.

**SECTION 6.08 INSURER THIRD PARTY GUARANTEE.** Each Insurer shall be deemed a third party beneficiary to the Resolution.

## ARTICLE VII

### SUPPLEMENTAL RESOLUTIONS

**SECTION 7.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT.** The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders, but only with notice to the Insurer and Credit Banks, which Supplemental Resolution shall thereafter form a part hereof, for any of the following purposes:

(A) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(C) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(D) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(E) To specify and determine the matters and things referred to in Sections 2.01, 2.02 or 2.09 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(F) To authorize Additional Projects or to change or modify the description of a Project.

(G) To specify and determine matters necessary or desirable for the issuance of Capital Appreciation Bonds or Variable Rate Bonds.

(H) To provide for the establishment of a subaccount in the Reserve Account which shall equally and ratably secure more than one Series of Bonds issued hereunder; provided the establishment of such subaccount shall not materially adversely affect the security of any Outstanding Bonds.

(I) To modify, amend or supplement this Resolution or any Supplemental Resolution hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United

States of America, and, if they so determine, to add to this Resolution such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(J) To revise the procedures provided in Section 4.05(A) (2) hereof pursuant to which moneys are drawn on a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys are reimbursed to the provider of such Policy or Letter of Credit.

(K) To make provision thereunder for the use of a Qualified Hedge Agreement

(L) To make any other change that, in the opinion of the Issuer, would not materially adversely affect the security for the Bonds. In making such determination, the Issuer shall not take into account any Bond Insurance Policy or Credit Facility.

**SECTION 7.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS' AND INSURER'S OR CREDIT BANK'S CONSENT.** Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 7.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Insurer or Credit Bank guaranteeing or insuring any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution which adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurer or Credit Bank of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any

Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

**SECTION 7.03. AMENDMENT WITH CONSENT OF INSURER OR CREDIT BANK ONLY.** If all of the Bonds Outstanding hereunder are insured or guaranteed as to payment of principal and interest by an Insurer or Insurers or Credit Bank or Credit Banks, and the Bonds, at the time of the hereinafter described amendment, shall be rated by the rating agencies which shall have rated the Bonds at the time such Bonds were insured or guaranteed no lower than in the top four rating categories (including gradations) established by said rating agencies on the date of being insured or guaranteed, the Issuer may enact one or more Supplemental Resolutions amending all or any part of Articles I, IV, V and VI hereof with the written consent of said Insurer or Insurers or Credit Bank or Credit Banks and the acknowledgment by said Insurer or Insurers or Credit Bank or Credit Banks, that its insurance or guaranty policy will remain in full force and effect. The consent of the Holders of any Bonds shall not be necessary. The foregoing right of amendment, however, does not apply to any amendment to Section 5.10 hereof with respect to the exclusion, if applicable, of interest on said Bonds from gross income for purposes of federal income taxation nor may any such amendment deprive the Holders of any Bond of right to payment of the Bonds from, and their lien on, the Pledged Funds to the extent provided herein. Upon filing with the Clerk of evidence of such consent of the Insurer or Insurers or Credit Bank or Credit Banks as aforesaid, the Issuer may adopt such Supplemental Resolution. After the adoption by the Issuer of such Supplemental

Resolution, notice thereof shall be mailed in the same manner as notice of an amendment under Section 7.02 hereof.

**SECTION 7.04. TRANSCRIPT OF DOCUMENTS TO INSURERS AND CREDIT BANKS.** Copies of any Supplemental Resolution proposed to be adopted pursuant to this Article VII shall be provided to the Rating Agencies at least ten business days prior to such adoption. The Issuer shall provide each Insurer and Credit Bank with a complete transcript of all proceedings relating to the execution of any Supplemental Resolution.



## ARTICLE VIII

### MISCELLANEOUS

**SECTION 8.01. DEFEASANCE.** If the Issuer shall (i) pay or cause to be paid or there shall otherwise be paid to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, (ii) pay or cause to be paid all Hedge Payments pursuant to the terms of any Hedge Agreement(s) and (iii) shall cause to be paid all amounts owing to each Insurer, Credit Bank and issuer of any Reserve Account Insurance Policy or Reserve Account Letter of Credit, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. The Resolution shall not be discharged until and unless all amounts due or to become due to the Insurers have been paid in full or duly provided for. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 8.01 if (A) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities the principal of and the interest on which when due, as verified by a nationally recognized certified public accountant or firm of certified public accountants submitted to each Insurer and Credit Bank will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Issuer may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Bonds, as stated in a verification report of a nationally recognized certified public accountant or firm of certified public accountants. The Issuer shall provide an opinion of Bond Counsel to the effect that such Bonds are no longer outstanding hereunder in connection with any defeasance of Bonds prior to the maturity date thereof in accordance with this Section 8.01. The accountant's verification and the legal opinion

referenced in the preceding paragraph shall each be addressed to the Issuer and any Insurer or Credit Bank.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 8.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 8.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 8.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 8.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 8.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

In the event that the principal of or Redemption Price, if applicable, and interest due on the Bonds shall be paid by an Insurer or Insurers or Credit Bank or Credit Banks, such Bonds shall remain Outstanding, shall not be defeased and shall not be considered paid by the Issuer, and the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the Bondholders shall continue to exist and such Insurer or Insurers or Credit Bank or Credit Banks shall be subrogated to the rights of such Bondholders.

**SECTION 8.02. CAPITAL APPRECIATION BONDS.** For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Issuer or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

**SECTION 8.03. SALE OF BONDS.** The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be

consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

**SECTION 8.04. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions of this Resolution shall 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 separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

**SECTION 8.05. VALIDATION AUTHORIZED.** To the extent deemed necessary by Bond Counsel or desirable by Counsel for the Issuer, the Counsel for the Issuer is authorized to institute appropriate proceedings for validation of the Bonds herein authorized pursuant to Chapter 75, Florida Statutes.

**SECTION 8.06. REPEAL OF INCONSISTENT RESOLUTIONS.** All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict."

**SECTION 8.07. TDC RECOMMENDATION.** As contemplated by Section 125.0104, the form and substance of this Resolution has been considered and recommended by the Bay County Tourist Development Council in regular, public session held November 8, 2016, a transcript of which has been furnished to and reviewed by this Board and found to be logical and persuasive.

**DULY ADOPTED** this 6<sup>th</sup> day of December, 2016.

**BOARD OF COUNTY COMMISSIONERS OF  
BAY COUNTY, FLORIDA**

(SEAL)

\_\_\_\_\_  
William T. Dozier, Chairman

ATTEST:

Approved as to form:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Office of the County Attorney

**INITIAL PROJECT**

The Initial Project is a world class sports park that is designed for the primary purpose of increasing visitation and tourist spending to Panama City Beach by attracting incremental athletic tournaments throughout the year. The projects will consist of athletic fields designed to host a variety of sports, including but not limited to soccer, baseball, softball and lacrosse; dedicated championship, stadium fields with permanent seating for soccer and baseball; training and practice facilities; retail, concession and other visitor amenities; tournament maintenance and support buildings; and required parking, entry roads. The design – architectural and landscape – and visual character that reflects the coastal style of Northwest Florida and is of a standard that consistent to attract out of town sports tournaments.