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Suite 1700
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10/21/14 file
800 111 #2

**Nabors
Giblin &
Nickerson** P.A.
ATTORNEYS AT LAW

FORT MYERS

12731 World Plaza Lane
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TALLAHASSEE

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Suite 200
Tallahassee, Florida 32308
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October 20, 2014

VIA FEDERAL EXPRESS

Connie Lea, Budget Analyst
Budget Office - Building C
2725 Judge Fran Jamieson Way
Viera, Florida 32940

Re: Florida Local Government Finance Commission Pooled Commercial
Paper Loan Program - Brevard County, Florida Revenue Note, Draw
No. A-2-1

Dear Connie:

Enclosed please find four sets of closing documents with regard to the above-referenced Draw. Please have all documents executed by the appropriate parties where indicated, affix the County seal where noted and return all copies to my attention for delivery no later than Wednesday, October 29, along with a copy of the executed Resolution. I have emailed the opinion of the County Attorney directly to Shannon Wilson and requested she give you the required opinions to return with the package.

Should you have any questions regarding the enclosed, please do not hesitate to contact me.

Sincerely,



Eileen Gianfrancesco
Florida Registered Paralegal

Enclosures

**FLORIDA LOCAL GOVERNMENT FINANCE COMMISSION
POOLED COMMERCIAL PAPER NOTES, SERIES A-2
(GOVERNMENTAL ISSUE)**

**BREVARD COUNTY, FLORIDA, DRAW NO. A-2-1
(JPMorgan Chase Bank LOC)**

**October 31, 2014
List of Documents**

1. Resolution No. 14-___ authorizing Draw No. A-2-1.
2. Revenue Note Draw No. A-2-1
3. Credit Facility Fees Certificate
4. Draw Request
5. Public Agency General Certificate
6. Certificate as to Arbitrage and Certain Other Tax Matters
7. Information Return to Internal Revenue Service
8. Advance Notice of Sale.
9. Division of Bond Finance Information Form
10. Opinion of County Attorney

**UNITED STATES OF AMERICA
STATE OF FLORIDA
BREVARD COUNTY, FLORIDA
REVENUE NOTE, DRAW NO. A-2-1
(JPMorgan Chase Bank)**

| <u>Principal Sum</u> | <u>Date of Issuance</u> | <u>Final Maturity Date</u> |
|----------------------|-------------------------|----------------------------|
| \$4,100,000.00 | October 31, 2014 | September 3, 2019 |

KNOW ALL MEN BY THESE PRESENTS, that the Brevard County, Florida (the "Public Agency"), for value received, hereby promises to pay, solely from the Designated Revenues described in the within-mentioned Loan Agreement, to the order of the Florida Local Government Finance Commission, Tallahassee, Florida, or its successors or assigns (the "Noteholder"), the Principal Sum stated above advanced pursuant to that certain Loan Agreement by and among the Florida Local Government Finance Commission, the Public Agency and JPMorgan Chase Bank, N.A., dated as of January 30, 2013 (the "Loan Agreement"), and to pay interest on such Principal Sum from the Date of Issuance identified above or from the most recent date to which interest has been paid at the interest rate per annum identified in the Loan Agreement commencing on the Date of Issuance until such Principal Sum shall have been paid. The Principal Sum hereof shall be payable upon the Final Maturity Date or earlier prepayment in accordance with the terms of the Loan Agreement and this Note. The Public Agency agrees to make all Loan Repayments in accordance with the terms of the Loan Agreement. This Note is subject to optional and mandatory prepayment in accordance with the Loan Agreement. Such Principal Sum and interest is 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.

This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 125, Florida Statutes, and other applicable provisions of law, Resolution No. 14-___ duly adopted by the Public Agency on October 21, 2014, as it may be subsequently amended and supplemented from time to time (collectively, the "Resolution"), and is subject to all terms and conditions of the Resolution and the Loan Agreement. Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Loan Agreement.

This Note is being issued to finance or refinance the costs of the completion of the expansion of the Public Agency's 800 MHz Communication System. This Note is secured by and shall be payable from the Designated Revenues as described in the Loan Agreement.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of interest allowed under the State of Florida as presently in effect.

This Note, when delivered by the Public Agency pursuant to the terms of the Loan Agreement and the Resolution, shall not be or constitute an indebtedness of the Public Agency or of the State of Florida, within the meaning of any constitutional, statutory or charter limitations of indebtedness, but shall be payable solely from the Designated Revenues, as provided in the Loan Agreement and the Resolution. No Noteholder shall ever have the right to compel the exercise of the ad valorem taxing power of the Public Agency or the State, or taxation in any form of any property therein to pay the Note or the interest thereon, except to the extent otherwise specifically provided in the Loan Agreement.

All terms and provisions of the Loan Agreement are hereby incorporated by reference herein.

IN WITNESS WHEREOF, the Public Agency caused this Note to be signed by the manual signature of the Chairman of the Board of County Commissioners of the Public Agency (the "Board") and the seal of the Public Agency to be affixed hereto or imprinted or reproduced hereon, and attested by the manual signature of the Clerk of the Board, and this Note to be dated the Date of Issuance set forth above.


BREVARD COUNTY, FLORIDA

(SEAL)



Chairman
Approved by the Board on October 21, 2014

ATTEST:



Scott Ellis, Clerk of the Circuit Court
and Ex-Officio Clerk to the Board of County
Commissioners of Brevard County, Florida

**UNITED STATES OF AMERICA
STATE OF FLORIDA
BREVARD COUNTY, FLORIDA
REVENUE NOTE, DRAW NO. A-2-1
(JPMorgan Chase Bank)**

| <u>Principal Sum</u> | <u>Date of Issuance</u> | <u>Final Maturity Date</u> |
|----------------------|-------------------------|----------------------------|
| \$4,100,000.00 | October 31, 2014 | September 3, 2019 |

KNOW ALL MEN BY THESE PRESENTS, that the Brevard County, Florida (the "Public Agency"), for value received, hereby promises to pay, solely from the Designated Revenues described in the within-mentioned Loan Agreement, to the order of the Florida Local Government Finance Commission, Tallahassee, Florida, or its successors or assigns (the "Noteholder"), the Principal Sum stated above advanced pursuant to that certain Loan Agreement by and among the Florida Local Government Finance Commission, the Public Agency and JPMorgan Chase Bank, N.A., dated as of January 30, 2013 (the "Loan Agreement"), and to pay interest on such Principal Sum from the Date of Issuance identified above or from the most recent date to which interest has been paid at the interest rate per annum identified in the Loan Agreement commencing on the Date of Issuance until such Principal Sum shall have been paid. The Principal Sum hereof shall be payable upon the Final Maturity Date or earlier prepayment in accordance with the terms of the Loan Agreement and this Note. The Public Agency agrees to make all Loan Repayments in accordance with the terms of the Loan Agreement. This Note is subject to optional and mandatory prepayment in accordance with the Loan Agreement. Such Principal Sum and interest is 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.

This Note is issued under the authority of and in full compliance with the Constitution and statutes of the State of Florida, including, particularly, Chapter 125, Florida Statutes, and other applicable provisions of law, Resolution No. 14- duly adopted by the Public Agency on October 21, 2014, as it may be subsequently amended and supplemented from time to time (collectively, the "Resolution"), and is subject to all terms and conditions of the Resolution and the Loan Agreement. Any term used in this Note and not otherwise defined shall have the meaning ascribed to such term in the Loan Agreement.

This Note is being issued to finance or refinance the costs of the completion of the expansion of the Public Agency's 800 MHz Communication System. This Note is secured by and shall be payable from the Designated Revenues as described in the Loan Agreement.

Notwithstanding any provision in this Note to the contrary, in no event shall the interest contracted for, charged or received in connection with this Note (including any other costs or considerations that constitute interest under the laws of the State of Florida which are contracted for, charged or received) exceed the maximum rate of interest allowed under the State of Florida as presently in effect.

This Note, when delivered by the Public Agency pursuant to the terms of the Loan Agreement and the Resolution, shall not be or constitute an indebtedness of the Public Agency or of the State of Florida, within the meaning of any constitutional, statutory or charter limitations of indebtedness, but shall be payable solely from the Designated Revenues, as provided in the Loan Agreement and the Resolution. No Noteholder shall ever have the right to compel the exercise of the ad valorem taxing power of the Public Agency or the State, or taxation in any form of any property therein to pay the Note or the interest thereon, except to the extent otherwise specifically provided in the Loan Agreement.

All terms and provisions of the Loan Agreement are hereby incorporated by reference herein.

IN WITNESS WHEREOF, the Public Agency caused this Note to be signed by the manual signature of the Chairman of the Board of County Commissioners of the Public Agency (the "Board") and the seal of the Public Agency to be affixed hereto or imprinted or reproduced hereon, and attested by the manual signature of the Clerk of the Board, and this Note to be dated the Date of Issuance set forth above.

BREVARD COUNTY, FLORIDA

(SEAL)



Chairman

Approved by the Board on October 21, 2014

ATTEST:



Scott Ellis, Clerk of the Circuit Court
and Ex-Officio Clerk to the Board of County
Commissioners of Brevard County, Florida

CREDIT FACILITY FEES

The following shall constitute the letter of credit fees for the Loan made by the Commission to the Public Agency on October 31, 2014: 85 Basis Points per annum

Pursuant to the Credit Agreement and the Fee Letter between the Commission and the Bank, dated as of June 6, 2011, the letter of credit fees will increase by 10 basis points for each ratings downgrade of the Public Agency and by 100 basis points upon an Event of Default under the Loan Agreement.

The letter of credit fee applicable to each Draw shall be calculated pursuant to Section 5.02(c) of the Loan Agreement.

Accepted and Approved:

BREVARD COUNTY, FLORIDA

By: 
Chairman

Approved by the Board on October 21, 2014

ADMINISTRATOR

By: _____
Program Administrator

BANK

By: _____
Authorized Signatory

DRAW REQUEST

I, Chairman of the Board of County Commissioners of Brevard County, Florida (the "Public Agency"), do hereby request from the Florida Local Government Finance Commission (the "Commission") a draw in the principal amount of \$4,100,000 on October 31, 2014, in accordance with the terms of that certain Loan Agreement dated as of January 30, 2013, among the Commission, the Public Agency and JPMorgan Chase Bank, N.A. Such draw shall be Draw No. A-2-1 (JPMorgan Chase Bank LOC) which has been authorized by the governing body of the Public Agency.

BREVARD COUNTY, FLORIDA



Chairman

Approved by the Board on October 21, 2014

PUBLIC AGENCY GENERAL CERTIFICATE

The undersigned Chairman of the Board of County Commissioners (the "Board") of Brevard County, Florida (the "Public Agency"), acting for and on behalf of the Public Agency, hereby certifies as of the date hereof as follows:

1. That the representations and warranties of the Public Agency set forth in the Loan Agreement, dated as of January 30, 2013 among the Public Agency, the Florida Local Government Finance Commission and JPMorgan Chase Bank, N.A. (the "Bank"), are true and correct in all material respects on the date hereof; the Public Agency is in compliance with all terms, covenants and conditions of the Loan Agreement on the date hereof; and no Event of Default (as defined in the Loan Agreement) or condition, event or act which with notice or lapse of time or both would become an Event of Default exists on the date hereof.

2. That the Public Agency has incurred, since the date of its last draw under the Loan Agreement, the Debt incurred in Schedule A attached hereto.

3. That, to the best of my knowledge, within one year from the date hereof the Public Agency intends to incur the debt pledging the Designated Revenues as described in Schedule B attached hereto.

4. That there has not been any material adverse change in the financial condition of the Public Agency since the date the last financial statements were filed with the Bank.

5. That the Public Agency did heretofore cause to be officially executed the Revenue Note described in Schedule C attached hereto (the "Loan Note") of the Public Agency and the Loan Agreement.

6. That the Chairman of the Board has caused to be executed the Loan Note by her manual signature, and that said Chairman was on the date she signed the Loan Note and is now the duly appointed, qualified and acting Chairman of the Board.

7. That the official seal of the Public Agency has been imprinted on the Loan Note, said seal imprinted hereon being the official seal of the Public Agency, and that the Clerk of the Board was on the date she signed the Loan Note and is now the duly elected, qualified and acting Clerk of the Public Agency.

8. That the seal which has been impressed on or otherwise reproduced on the Loan Note and upon this certificate is the legally adopted, proper and only seal of the Public Agency.

9. That there is no litigation pending or, to our knowledge, threatened to restrain or enjoin the issuance or delivery of the Loan Note or in any way contesting or

affecting any authority for the issuance of the Loan Note, or the validity of the Loan Note, or in any way contesting the existence or the powers of the Public Agency.


10. That the Public Agency has the power and authority to enter into the Loan Agreement as authorized by resolution of the Public Agency. Such resolution was duly adopted by the Board, has not been modified or amended in any manner since October 21, 2014, and is in full force and effect as of the date hereof.

11. Except as otherwise disclosed to the Bank, that no obligation issued or guaranteed by the Public Agency is in default or has been in default any time after December 31, 1975, as to principal and interest.

12. The computation of the interest rate on the Loan Note issued by the Public Agency on the date hereof is in compliance with the requirements of Section 215.84(3), Florida Statutes.

Any terms not otherwise defined herein shall have the meanings assigned such terms in the Loan Agreement.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of the Public Agency as of this 31st day of October, 2014.

| (SEAL) | <u>Title of Office</u> | <u>Term of Office Commences</u> | <u>Term of Office Expires</u> |
|---|------------------------|-------------------------------------|-----------------------------------|
|  | Chairman | November 2013 | November 2014 |

I, Stockton Whitten, County Manager for Brevard County, Florida, do hereby certify that the above-described individual is now and have continuously been since the date of beginning of his current term of office shown above, the duly elected, qualified and acting officer of the Public Agency.


County Manager

SCHEDULE A

Description of Debt incurred since last Draw (August 5, 2014)

\$15,730,000 Brevard County, Florida Non-Ad Valorem Revenue Note, Series 2014 (8/15/14)

SCHEDULE B

Description of Debt secured by Designated Revenues to be issued within one year.

Approximately \$1,183,000 additional Commercial Paper draws for Project A-1.

SCHEDULE C

Description of Loan Note

\$4,100,000 Revenue Note, Draw No. A-2-1 (JPMorgan Chase Bank LOC), dated as of October 31, 2014.

**CERTIFICATE AS TO ARBITRAGE
AND CERTAIN OTHER TAX MATTERS**

I, Chairman of the Board of County Commissioners of Brevard County, Florida (the "Public Agency") being a person duly charged, together with others, with the responsibility for issuing the \$4,100,000 Brevard County, Florida Revenue Note, Draw No. A-2-1 (JPMorgan Chase Bank LOC) (the "Draw No. A-2-1 Note"), dated October 31, 2014, and being issued this day, **DO HEREBY CERTIFY** that:

1. AUTHORIZATION AND DEFINITIONS. The Draw No. A-2-1 Note is being issued pursuant to the authority contained in Chapter 125, Florida Statutes, a resolution adopted by the Public Agency on October 21, 2014 (the "Resolution"), and the Loan Agreement, dated as of January 30, 2013 (the "Loan Agreement"), among the Public Agency, the Florida Local Government Finance Commission (the "Commission") and JPMorgan Chase Bank, N.A. (the "Bank"). The Loan Agreement has been entered into by the Public Agency in order to participate in the Commission's Pooled Commercial Paper Loan Program whereby the Commission will issue Commercial Paper Notes from time to time pursuant to an Indenture of Trust, dated as of June 6, 2011 (the "Indenture"), between the Commission and U.S. Bank National Association, as Trustee, and loan the proceeds of such Notes to various government entities, such as the Public Agency. The Commercial Paper Notes are further secured by a Letter of Credit, dated June 6, 2011 (the "Letter of Credit"), issued by the Bank.

The terms defined in the Resolution and the Loan Agreement shall retain the meanings set forth therein when used in this Certificate unless the context clearly indicates another meaning is intended. Other terms used in this Certificate shall have the meanings set forth for same in other provisions hereof or in the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder and under the Internal Revenue Code of 1954, as amended (collectively, the "Code"), or in the Regulations applicable thereto, or in the Arbitrage Rebate Statement attached hereto as Exhibit A, in each case unless the context clearly indicates another meaning is intended.

2. PURPOSE. The Draw No. A-2-1 Note is being issued for the purpose of providing moneys to finance the completion of the expansion of the Public Agency's 800 MHz Communication System, all within the Public Agency, as more particularly described in the Resolution (the "Project A-2")

3. FACTS, ESTIMATES AND CIRCUMSTANCES. On the basis of the facts, estimates and circumstances in existence on the date hereof, I reasonably expect the following with respect to the Draw No. A-2-1 Note and with respect to the proceeds of the Draw No. A-2-1 Note:

(a) NET PROCEEDS. The amount of proceeds received by the Public Agency from the sale of the Draw No. A-2-1 Note (the "Net Proceeds") is \$4,100,000.00 the principal amount of the Draw No. A-2-1 Note.

(b) NO OVERISSUANCE. Taking into account other available funds, the amount of Net Proceeds necessary to finance the costs of the Project A-2, to pay the costs of issuance described in Section 4(c) hereof and to pay interest and other costs associated with the Draw No. A-2-1 Note equals or exceeds \$4,100,000.00 plus any investment earnings on such amounts.

(c) COSTS OF ISSUANCE. An amount of Net Proceeds of the Draw No. A-2-1 Note equal to \$0.00 shall be used on the date hereof to pay the Public Agency's share of the costs of establishing and operating the Pooled Commercial Paper Loan Program.

(d) THE PROJECT A-2.

(i) Deposit of Net Proceeds. An amount of the Net Proceeds of the Draw No. A-2-1 equal to the par amount of the Draw No. A-2-1 Note, less the amount of costs of issuance described in Section 4(c) hereof and less the amount, if any, deposited with the Trustee on the date hereof as described in Section 4 hereof will be deposited in an account held by the Public Agency, and such amount and investment earnings thereon will be used to pay for the costs of the Project A-2.

(ii) Use of Moneys. The Public Agency expects to spend all of the Net Proceeds of the Draw No. A-2-1 Note and any investment proceeds related thereto on or before the third anniversary hereof.

(iii) Binding Obligations. The Public Agency has spent or expects, within six months of the date hereof, to spend (or to enter into binding obligations with third parties obligating the Public Agency to spend) from the Net Proceeds any investment proceeds thereon, an amount at least equal to 5% of the costs of the Project A-2 to be financed from the Net Proceeds (including capitalized interest, if any) in order to commence or acquire such portion of the Project A-2.

(iv) Due Diligence. Work on the acquisition and construction of the Project A-2 to be funded from the Net Proceeds will proceed with due diligence to the completion thereof.

(v) Disposal of Project A-2. The Project A-2 is not expected to be sold or disposed of prior to the maturity date of the Draw No. A-2-1 Note, except such portions as may be disposed of in the normal course of business.

(vi) No Reimbursement. The Public Agency will not reimburse itself from proceeds of Draw No. A-2-1 Note for any expenditures made by the Public Agency prior to the date of Draw No. A-2-1 Note except for (A) any expenditures that were made within 60 days prior to the adoption date of Resolution No. 14-____ (October 21, 2014) and (B) any "preliminary expenditures" authorized to be reimbursed pursuant to Treasury Regulations Section 1.150-2 to the extent the amount of such "preliminary expenditures" do not exceed 20% of the proceeds of the Draw No. A-2-1 Note.

4. PAYMENT OF DRAW NO. A-2-1 NOTE. The Public Agency has agreed pursuant to the Loan Agreement to deposit with the Trustee on the first day of each month for disposition in accordance with the terms of the Indenture sufficient money to pay the interest coming due on the Draw No. A-2-1 Note, as well as various administrative expenses, during such month.

5. YIELD.

(a) GENERAL. For purposes of this Certificate, note yield is, and shall be, calculated in the manner provided in Treasury Regulations Section 1.148-4, and the provisions therein will be complied with in all respects. The term "note yield" means, with respect to a note, the discount rate that when used in computing the present value of all the unconditionally payable payments of principal and interest and all the payments for a qualified guarantee paid and to be paid with respect to the note produces an amount equal to the present value, using the same discount rate, of the issue price of the note as of its issue date. In computing the purchase price of the Draw No. A-2-1 Note, which is equal to the issue price, the Public Agency did not take into consideration the costs of issuance. The purchase price of the Draw No. A-2-1 Note, therefore, is the principal amount, less Letter of Credit fees. For purposes hereof, yield is, and shall be, calculated on a 360-day year basis with interest compounded semiannually. The yield on the Draw No. A-2-1 Note calculated in the above-described manner is herein referred to as the "Note Yield." It should be noted, however, that such yield may, under certain circumstances set forth in the Treasury Regulations, be subject to recalculation. See Exhibit A hereto.

The purchase price of all obligations other than tax-exempt investments ("Taxable Obligations") to which restrictions as to yield under this Certificate apply shall be calculated using (i) the price, taking into account discount, premium, and accrued interest, as applicable, actually paid or (ii) the fair market value (as described in the Arbitrage Rebate Statement attached hereto as Exhibit A) if less than the price actually paid and if such Taxable Obligations were not purchased directly from the United States Treasury. The Public Agency will acquire all such Taxable Obligations directly from the United States Treasury or in arms length transactions without regard to any amounts paid

to reduce the yield on such Taxable Obligations and the Public Agency will not pay or permit the payment of any amounts to reduce the yield on any Taxable Obligations.

(b) LETTER OF CREDIT. According to information supplied by JPMorgan Securities LLC, the present value of the debt service savings reasonably expected to result from the purchase of the Letter of Credit, discounted at the Note Yield, computed without taking into account the Letter of Credit fees, exceeds the amount of the Letter of Credit fees. Thus, for purposes of calculating the Note Yield, the Letter of Credit fees are treated as an interest payment on the date of payment thereof. For all other purposes such amount is treated as an expense of issuance.

(c) YIELD REDUCTION PAYMENTS. Any amounts subject to yield restrictions may be subject to yield reduction payments pursuant to Treasury Regulations Section 1.148-5(c).

6. FURTHER CERTIFICATIONS. The Public Agency will neither take nor permit any action which would cause the Draw No. A-2-1 Note to become a Private Activity Bond (as such term is defined in the Code), including, without limitation, any sale, lease, management or similar use of the capital improvements financed with the proceeds of the Draw No. A-2-1 Note to or by any person other than a governmental unit. None of the Gross Proceeds of the Draw No. A-2-1 Note are expected to be used directly or indirectly in any trade or business carried on by any person other than a governmental unit.

No bonds or other obligations of the Public Agency (a) were sold in the 15 days preceding the date of sale of the Draw No. A-2-1 Note or (b) were or will be sold within the 15 days after the date of sale of the Draw No. A-2-1 Note, pursuant to a common plan of financing with the plan for the issuance of the Draw No. A-2-1 Note and payable out of substantially the same source of revenues.

The Public Agency does not expect that the proceeds of the Draw No. A-2-1 Note will be used in a manner that would cause it to be an arbitrage bond under Section 148 of the Code. The Public Agency does not expect that the proceeds of the Draw No. A-2-1 Note will be used in a manner that would cause the interest on the Draw No. A-2-1 Note to be includable in the gross income of the holder of the Draw No. A-2-1 Note under Section 103 of the Code.

7. REBATE. In the event the Public Agency has Rebateable Arbitrage, it agrees to establish a rebate account, which shall be held for the benefit of the United States Government as contemplated under the provisions hereof. The Public Agency acknowledges and agrees to comply with the terms of the Arbitrage Rebate Statement attached hereto as Exhibit A. The Public Agency hereby makes the elections, if any, provided for in such Arbitrage Rebate Statement.

Under certain conditions more particularly described in Section 3 of the Arbitrage Rebate Statement attached hereto as Exhibit A, the Public Agency may qualify for an exemption for all or a portion of its obligation to rebate certain investment earnings on the proceeds of the Draw No. A-2-1 Note.

8. AMENDMENTS. The provisions hereof need not be observed and this Certificate may be amended or supplemented at any time by the Public Agency if, in each case, the Public Agency receives an opinion or opinions of Bond Counsel that the failure to comply with such provisions will not cause, and that the terms of such amendment or supplement will not cause, the Draw No. A-2-1 Note to become an arbitrage bond under Section 148 of the Code, or other applicable section of the Code, or otherwise cause interest on the Draw No. A-2-1 Note to become includable in gross income for federal income tax purposes under the Code.

9. DRAW NO. A-2-1 NOTE NOT FEDERALLY GUARANTEED. Payment of debt service on the Draw No. A-2-1 Note is not directly or indirectly guaranteed in whole or in part by the United States, within the meaning of Section 149(b) of the Code. None of the Net Proceeds will be invested directly or indirectly in federally insured deposits or accounts except for Net Proceeds invested during any applicable temporary periods until such Net Proceeds are needed for the purpose for which the Draw No. A-2-1 Note is being issued.

10. DRAW NO. A-2-1 NOTE NOT HEDGE BOND. It is reasonably expected that not less than 85% of the Net Proceeds thereof will be used to carry out the governmental purposes of the Draw No. A-2-1 Note within three years from the date hereof. Not more than 50% of the Net Proceeds will be invested in nonpurpose investments having a substantially guaranteed yield for four years or more (including but not limited to any investment contract or fixed yield investment having a maturity of four years or more). The reasonable expectations stated above are not based on and do not take into account any expectations or assumptions as to the occurrence of changes in market interest rates or of federal tax law or regulations or rulings thereunder. Those reasonable expectations are not based on any prepayments of items other than items which are customarily prepaid.

11. ADDITIONAL COVENANTS. The Public Agency further agrees to (a) impose such limitations on the investment or use of moneys or investments related to the Draw No. A-2-1 Note, (b) make such rebate payments to the United States Treasury, (c) maintain such records, (d) perform such calculations, (e) enter into such agreements, and (f) perform such other acts as may be necessary under the Code to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Draw No. A-2-1 Note, which it may lawfully do.

12. INFORMATION. The Public Agency agrees to file all information statements as may be required by the Code.

13. VALUATION AND MARKET PRICE RULES. In determining the amounts on deposit in any fund or account for purposes of this Certificate, the "market price rules" set forth in Exhibit A attached hereto shall apply.

14. NO REPLACEMENT. No portion of the amounts received from the issuance, conversion, sale or remarketing of the Draw No. A-2-1 Note will be used as a substitute for other funds which were otherwise to be used for the purposes for which the Draw No. A-2-1 Note is being issued, and which have been or will be used to acquire, directly or indirectly, obligations producing a yield in excess of the Note Yield. The weighted average maturity of the Draw No. A-2-1 does not exceed 120 percent of the average reasonably expected economic life of the capital improvements related to Project A-2.

15. LIMITATIONS ON PRIVATE USE; REMEDIAL ACTION. Either (a) the Public Agency has not and will not permit the Project A-2 to be used by any private non-governmental entity (a "Private User") to the extent such use exceeds 10% of the Project A-2, or (b) the Public Agency has not and will not (i) secure, directly or indirectly, more than 10% of either principal or interest on the Draw No. A-2-1 Note by (A) any interest in property used or to be used by any Private User or (B) any payments in respect of property used or to be used by any Private User, or (ii) directly or indirectly, cause or permit more than 10% of either principal or interest on the Draw No. A-2-1 Note to be derived from payments (whether or not to the Public Agency) in respect of property, or borrowed money, used or to be used by any Private User. Use by the general public does not constitute use by Private Users.

No portion of the proceeds of the Draw No. A-2-1 Note or any other obligation financed or refinanced, directly or indirectly, in whole or in part with the proceeds of such obligations has been or will be loaned, directly or indirectly, by the Public Agency or any other person to any person.

The Public Agency will not sell, lease (other than as permitted under the limitations described above), allow the private management of or otherwise dispose of, directly or indirectly, in whole or in part, whether for consideration or otherwise, the Project A-2 unless prior to any sale, lease or other disposition, the Public Agency receives the approval of Bond Counsel.

In the event that the Public Agency takes any action, or fails to take any action, the result of which would adversely affect the tax-exempt status of the Draw No. A-2-1 Note, the Public Agency will immediately take such remedial action as permitted by the Code (including, particularly Sections 141 and 150 thereof) and the regulations thereunder to preserve such tax-exempt status including, if necessary, the defeasance and/or redemption of all or a portion of the Draw No. A-2-1 Note from funds derived from a source other than tax-exempt obligations.

See Revenue Procedure 97-13 which provides rules regarding the use of management, service or incentive payment contracts between the Public Agency and a service provider regarding the Project A-2.

16. NO ADVERSE ACTION. The Public Agency has neither received notice that its Certificate may not be relied upon with respect to its issues, nor has it been advised that any adverse action by the Commissioner of Internal Revenue is contemplated.

To the best of my knowledge and belief there are no facts, estimates or circumstances other than those expressed herein that materially affect the expectations herein expressed, and, to the best of my knowledge and belief, the Public Agency's expectations are reasonable. I further represent that the Public Agency expects and intends to be able to comply with the provisions and procedures set forth herein, including Section 148 of the Code.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 31st day of October, 2014.

BREVARD COUNTY, FLORIDA



Chairman

Approved by the Board on October 21, 2014

EXHIBIT A

ARBITRAGE REBATE STATEMENT

This Arbitrage Rebate Statement ("Statement") is intended to set forth certain duties and requirements necessary for compliance with Section 148(f) of the Code to the extent necessary to preserve the tax exempt treatment of interest on the Draw No. A-2-1 Note. This Statement is based upon Section 148(f) of the Code and by analogy, to the Regulations. However, it is not intended to be exhaustive.

Since the requirements of such Section 148(f) are subject to amplification and clarification, it may be necessary to supplement or modify this Statement from time to time to reflect any additional or different requirements of such Section and the Regulations or to specify that action required hereunder is no longer required or that some further or different action is required to maintain or assure the exemption from federal income tax of interest with respect to the Draw No. A-2-1 Note.

SECTION 1. TAX COVENANTS. Pursuant to the Loan Agreement, the Public Agency has made certain covenants designed to assure that the interest with respect to the Draw No. A-2-1 Note is and shall remain excludable from gross income for purposes of federal income taxation. The Public Agency shall not, directly or indirectly, use or permit the use of any proceeds of the Draw No. A-2-1 Note or any other funds or take or omit to take any action that would cause the Draw No. A-2-1 Note to be an "arbitrage bond" within the meaning of Section 148 of the Code or that would cause interest on the Draw No. A-2-1 Note to be included in gross income for federal income tax purposes under the provisions of the Code. The Public Agency shall comply with all other requirements as shall be determined by Bond Counsel to be necessary or appropriate to assure that interest on the Draw No. A-2-1 Note will be excludable from gross income for purposes of federal income taxation. To that end, the Public Agency shall comply with all requirements of Section 148 of the Code to the extent applicable to the Draw No. A-2-1 Note.

SECTION 2. DEFINITIONS. Capitalized terms used herein, not otherwise defined herein, shall have the same meanings set forth in the Resolution and in the Public Agency's Certificate as to Arbitrage and Certain Other Tax Matters relating to the Draw No. A-2-1 Note.

"Bond Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida or such other firm of nationally recognized bond counsel as may be selected by the Public Agency.

"Computation Date" means any date selected by the Public Agency as a computation date pursuant to Section 1.148-3(e) of the Regulations and the Final Computation Date.

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

"Final Computation Date" means the date the Draw No. A-2-1 Note is discharged.

"Fair Market Value" means, when applied to a Nonpurpose Investment, the Fair Market Value of such Investment as determined in accordance with Section 4 hereof.

"Gross Proceeds" means, with respect to the Draw No. A-2-1 Note:

- (1) Amounts constituting Sale Proceeds of the Draw No. A-2-1 Note.
- (2) Amounts constituting Investment Proceeds of the Draw No. A-2-1 Note.
- (3) Amounts constituting Transferred Proceeds of the Draw No. A-2-1 Note.
- (4) Other amounts constituting Replacement Proceeds of the Draw No. A-2-1 Note, including Pledged Moneys.

"Investment Proceeds" means any amounts actually or constructively received from investing proceeds of the Draw No. A-2-1 Note.

"Investment Property" shall have the meaning as ascribed to such term in Section 148(b)(2) of the Code, which includes any security, obligation or other property held principally as a passive vehicle for the production of income, within the meaning of Section 1.148-1(e) of the Regulations.

"Issue Date" means the date of issuance of the Draw No. A-2-1 Note.

"Net Proceeds" means the Sale Proceeds, less the portion of such Proceeds invested in a reasonably required reserve or replacement fund under the Code.

"Nonpurpose Investment" means any Investment Property in which Gross Proceeds are invested which is not an investment that is acquired to carry out the governmental purpose of the Draw No. A-2-1 Note, e.g., obligations acquired with Gross Proceeds that are invested temporarily until needed for the governmental purpose of the Draw No. A-2-1 Note, that are used to discharge a prior issue, or that are invested in a reasonably required reserve or replacement fund, as referenced in Section 1.148-1(b) of the Regulations.

"Nonpurpose Payments" shall include the payments with respect to Nonpurpose Investments specified in Section 1.148-3(d)(1)(i)-(v) of the Regulations.

"Nonpurpose Receipts" shall include the receipts with respect to Nonpurpose Investments specified in Section 1.148-3(d)(2)(i)-(iii) of the Regulations.

"Note Year" means any one-year period (or shorter period from the Issue Date) ending on the close of business on the day preceding the anniversary of the Issue Date.

"Pledged Moneys" means moneys that are reasonably expected to be used directly or indirectly to pay debt service on the Draw No. A-2-1 Note or as to which there is a reasonable assurance that such moneys or the earnings thereon will be available directly or indirectly to pay debt service on the Draw No. A-2-1 Note if the Public Agency encounters financial difficulties.

"Pre-Issuance Accrued Interest" means amounts representing interest that has accrued on an obligation for a period of not greater than one year before its issue date but only if those amounts are paid within one year after the Issue Date.

"Proceeds" means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Draw No. A-2-1 Note.

"Qualified Administrative Costs" means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage and selling commissions that are comparable to those charged nongovernmental entities in transactions not involving tax-exempt bond proceeds, but not legal and accounting fees, recordkeeping, custody or similar costs. In addition, with respect to a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow, such costs will be considered reasonable if (1) the amount of the fee the Public Agency treats as a Qualified Administrative Cost does not exceed the lesser of (a) \$38,000 (for calendar year 2014), or (b) the greater of (x) .2% of the "computational base," or (y) \$4,000; and (2) the Public Agency does not treat as Qualified Administrative Costs more than \$108,000 (for calendar year 2014) in brokers' commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with Gross Proceeds of the issue. For purposes of this definition only, "computational base" shall mean, with respect to guaranteed investment contracts, the amount of Gross Proceeds the Public Agency reasonably expects, as of the date the contract is acquired, to be deposited in the guaranteed investment contract over the term of the contract, and for investments other than guaranteed investment contracts, "computational base" shall mean the amount of Gross Proceeds initially invested in such investments. The above-described safe harbor dollar amounts shall be increased each calendar year for cost-of-living adjustments pursuant to Section 1.148-5(e) of the Regulations.

"Rebatable Arbitrage" means, as of any Computation Date, the excess of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments.

"Rebate Account" means the rebate account described in Section 7 of the Arbitrage Certificate.

"Regulations" means Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1 and (d)-1, and 1.150-0 through 1.150-2, as amended, and any regulations amendatory, supplementary or additional thereto.

"Replacement Proceeds" means amounts that have a sufficiently direct nexus to the Draw No. A-2-1 Note or to the governmental purpose of the Draw No. A-2-1 Note to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the Draw No. A-2-1 Note were not used or to be used for that governmental purpose. For this purpose, governmental purposes include the expected use of amounts for the payment of debt service on a particular date. The mere availability or preliminary earmarking of amounts for a governmental purpose, however, does not in itself establish a sufficient nexus to cause those amounts to be Replacement Proceeds. Replacement Proceeds include, but are not limited to, amounts held in a sinking fund or a pledged fund. For these purposes, an amount is pledged to pay principal of or interest on the Draw No. A-2-1 Note if there is reasonable assurance that the amount will be available for such purposes in the event that the issuer encounters financial difficulties.

"Sale Proceeds" means any amounts actually or constructively received by the Public Agency from the sale of the Draw No. A-2-1 Note, including amounts used to pay underwriters' discount or compensation and interest other than Pre-Issuance Accrued Interest. Sale Proceeds shall also include, but are not limited to, amounts derived from the sale of a right that is associated with a Draw No. A-2-1 Note and that is described in Section 1.148-4(b)(4) of the Regulations.

"Tax-Exempt Investment" means (i) an obligation the interest on which is excluded from gross income pursuant to Section 103 of the Code, (ii) United States Treasury-State and Local Government Series, Demand Deposit Securities, and (iii) stock in a tax-exempt mutual fund as described in Section 1.150-1(b) of the Regulations. Tax-Exempt Investment shall not include a specified private activity bond as defined in Section 57(a)(5)(C) of the Code. For purposes of this Statement, a tax-exempt mutual fund includes any regulated investment company within the meaning of Section 851(a) of the Code and meets the requirements of Section 852(a) of the Code for the calendar year; having only one class of stock authorized and outstanding; investing all of its assets in tax-exempt obligations to the extent practicable; and having at least 98 percent of (1) its gross income derived from interest on, or gain from the sale of or other disposition of, tax-exempt obligations or (2) the weighted average value of its assets represented by investments in tax-exempt obligations.

"Transferred Proceeds" shall have the meaning provided therefor in Section 1.148-9 of the Regulations.

"Universal Cap" means the value of the outstanding Draw No. A-2-1 Note.

"Value" (of the Draw No. A-2-1 Note) means the outstanding principal amount of the Draw No. A-2-1 Note, plus accrued unpaid interest.

"Value" (of an Investment) shall have the following meaning in the following circumstances:

(1) General Rules. Subject to the special rules in the following paragraph, an issuer may determine the value of an investment on a date using one of the following valuation methods consistently applied for all purposes relating to arbitrage and rebate with respect to that investment on that date:

(a) an investment with not more than two percent original issue discount or original issue premium may be valued at its outstanding stated principal amount, plus accrued unpaid interest on such date;

(b) a fixed rate investment may be valued at its present value on such date; and

(c) an investment may be valued at its Fair Market Value on such date.

(2) Special Rules. Yield restricted investments are to be valued at present value provided that (except for purposes of allocating Transferred Proceeds to an issue, for purposes of the Universal Cap and for investments in a commingled fund other than a bona fide debt service fund unless it is a certain commingled fund):

(a) an investment must be valued at its Fair Market Value when it is first allocated to an issue, when it is disposed of and when it is deemed acquired or deemed disposed of, and provided further that;

(b) in the case of Transferred Proceeds, the Value of a Nonpurpose Investment that is allocated to Transferred Proceeds of a refunding issue on a transfer date may not exceed the Value of that investment on the transfer date used for purposes of applying the arbitrage restrictions to the refunded issue.

"Yield on the Notes" means, for all Computation Dates, the Yield expected as of the date hereof on the Draw No. A-2-1 Note over the term of such Draw No. A-2-1 Note computed by:

(i) using as the purchase price of the Draw No. A-2-1 Note, the amount at which such Draw No. A-2-1 Note was sold to the public within the meaning of Sections 1273 and 1274 of the Code; and

(ii) assuming that the Draw No. A-2-1 Note will be paid at its scheduled maturity date or in accordance with any mandatory redemption requirements.

"Yield" means, generally, the discount rate which, when used in computing the present value of all the unconditionally payable payments of principal and interest on an obligation and all the payments for a qualified guarantee paid and to be paid with respect to such obligation, produces an amount equal to the present value of the issue price of such obligation. Present value is computed as of the date of issue of the obligation. There are, however, many additional specific rules contained in the Regulations which apply to the calculation and recalculation of yield for particular obligations and such rules should be consulted prior to calculating the yield for the Draw No. A-2-1 Note on any Computation Date. Yield shall be calculated on a 360-day year basis with interest compounded monthly. For this purpose the purchase price of a Nonpurpose Investment or Tax-Exempt Investment is its Fair Market Value, as determined pursuant to Section 4 of this Statement, as of the date that it becomes allocated to Gross Proceeds of the Draw No. A-2-1 Note.

SECTION 3. REBATE REQUIREMENTS.

(a) The Public Agency shall pay to the United States Government at the times and in the amounts determined hereunder the Rebatale Arbitrage. For purposes of determining the Rebatale Arbitrage, the Public Agency shall cause the calculations to be made by competent tax counsel or other financial or accounting advisors or persons to ensure correct application of the rules contained in the Code and the Regulations relating to arbitrage rebate.

(b) Within 30 days after any Computation Date, the Public Agency shall calculate or cause to be calculated the Rebatale Arbitrage or penalty due pursuant to Section 3(c) hereof. Immediately following such calculations, but in no event later than 60 days following the Computation Date, the Public Agency shall remit an amount which when added to the future value of previous rebate payments shall not be less than 90 percent (100 percent with respect to the Computation Date on the final repayment or retirement of the Draw No. A-2-1 Note) of the Rebatale Arbitrage or 100% of any penalty due pursuant to Section 3(c) hereof as of the applicable Computation Date.

Each payment shall be accompanied by Internal Revenue Service Form 8038-T.

(c) The obligation to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Draw No. A-2-1 Note, if (i) Gross Proceeds are expended for the governmental purpose of the Draw No. A-2-1 Note by no later than the date which is six months after the Issue Date and if it is not anticipated that any other Gross Proceeds will arise during the remainder of such Issues and (ii) the requirement to pay Rebatale Arbitrage, if any, to the United States with respect to any reasonably required debt service reserve funds allocable are met. For purposes of the preceding sentence, Gross Proceeds do not include (i) amounts deposited in a bona fide debt service fund, so long as the funds therein constitute bona fide debt service funds, or a reasonably required reserve or replacement fund (meeting the requirements of Section

1.148-2(f) of the Regulations), (ii) amounts that, as of the Issue Date, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the date which is six months after the Issue Date, (iii) amounts representing Sale or Investment Proceeds derived from any Purpose Investment (as defined in Section 1.148-1 of the Regulations) and earnings on those payments, and (iv) amounts representing any repayments of grants (as defined in Section 1.148-6(d)(4) of the Regulations). If Gross Proceeds are in fact expended by such date, then, except as to any reasonably required debt service reserve funds allocable to the Draw No. A-2-1 Note, Rebatable Arbitrage with respect to such Gross Proceeds need not be calculated and no payment thereof to the United States Department of Treasury need be made. Use of Gross Proceeds to redeem the Draw No. A-2-1 Note shall not be treated as an expenditure of such Gross Proceeds.

Notwithstanding the foregoing, if Gross Proceeds which were reasonably expected to be Gross Proceeds on the Issue Date actually become available after the date which is six months after the Issue Date, then the requirements described herein relating to the calculation of Rebatable Arbitrage and the payment thereof to the United States must be satisfied, except that no such calculation or payment need be made with respect to the initial six-month period. Any other amounts not described in this Section 3(c) which constitute proceeds of the Draw No. A-2-1 Note, other than a bona fide debt service fund, will be subject to rebate.

(d) As an alternative to Section 3(c) above, the obligation of the Public Agency to pay Rebatable Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Draw No. A-2-1 Note if (i) the rebate requirement is met for all proceeds of the Draw No. A-2-1 Note other than Gross Proceeds (as defined in Section 3(c) hereof) and (ii) the Gross Proceeds are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 15% of such Gross Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 60% of such Gross Proceeds are spent within the 1-year period beginning on the Issue Date; and

(iii) at least 100% of such Gross Proceeds are spent within the 18-month period beginning on the Issue Date.

As set forth in Section 1.148-7(d)(2) of the Regulations, for purposes of the expenditure requirements set forth in this paragraph (d), 100% of the Gross Proceeds of the Draw No. A-2-1 shall be treated as expended for the governmental purposes of the issue within the 18-month period beginning on the Issue Date if such requirement is met within the 30-month period beginning on the Issue Date and such requirement would have been met within such 18-month period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Draw No. A-2-1 Note). If Gross Proceeds are in fact

expended by such dates, then Rebatale Arbitrage need not be calculated and no payment thereof to the United States Department of Treasury need be made. Any failure to satisfy the final spending requirement shall be disregarded if the Public Agency exercises due diligence to complete the project financed by the Draw No. A-2-1 Note and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Draw No. A-2-1 Note or (ii) \$250,000. Use of Gross Proceeds to redeem the Draw No. A-2-1 Note shall not be treated as an expenditure of such Gross Proceeds. For purposes of this paragraph (d), "Gross Proceeds" shall be modified as described in paragraph (c) above.

THE FOLLOWING PARAGRAPH (e) SHALL NOT APPLY.

(e) As an alternative to Sections 3(c) and (d) above, the obligation to pay Rebatale Arbitrage to the United States, as described herein, shall be treated as satisfied with respect to the Draw No. A-2-1 Note if the Available Construction Proceeds (as defined in Section 148(f)(4)(c)(vi) of the Code and described below) are expended for the governmental purposes of the issue within the periods set forth below:

(i) at least 10% of such Available Construction Proceeds are spent within the six-month period beginning on the Issue Date;

(ii) at least 45% of such Available Construction Proceeds are spent within the 1-year period beginning on the Issue Date;

(iii) at least 75% of such Available Construction Proceeds are spent within the eighteen-month period beginning on the Issue Date; and

(iv) at least 100% of such Available Construction Proceeds are spent within the 2-year period beginning on the Issue Date.

For purposes of this paragraph (e), the term Available Construction Proceeds means the Net Proceeds of the Draw No. A-2-1 Note, increased by earnings on the Net Proceeds, earnings on amounts in a reasonably required debt service reserve fund allocable to the Draw No. A-2-1 Note to the extent that such amounts were not funded from proceeds of the Draw No. A-2-1 Note, and earnings on all of the foregoing earnings, and reduced by the amount of the Net Proceeds deposited to a reasonably required debt service reserve fund allocable to the Draw No. A-2-1 Note and amounts used to pay issuance costs (including bond insurance premium). Notwithstanding the foregoing, Available Construction Proceeds shall not include amounts earned on the reasonably required debt service reserve fund after the earlier of the close of the two-year period beginning on the Issue Date or the date construction is substantially completed. Any amounts which constitute proceeds of the Draw No. A-2-1 Note other than Available Construction Proceeds and amounts on deposit in a bona fide debt service fund will be subject to rebate.

As set forth in Section 148(f)(4)(C)(iii) of the Code, for purposes of the expenditure requirements set forth in this paragraph (e), 100% of Available Construction Proceeds of the Draw No. A-2-1 Note shall be treated as expended for the governmental purposes of the issue within the 2-year period beginning on the Issue Date if such requirement is met within the 3-year period beginning on the Issue Date and such requirement would have been met within such 2-year period but for a reasonable retainage (not exceeding 5% of the Net Proceeds of the Draw No. A-2-1 Note). Use of Available Construction Proceeds to redeem the Draw No. A-2-1 Note shall not be treated as an expenditure of such Proceeds.

Any failure to satisfy the final spending requirement shall be disregarded if the Public Agency exercises due diligence to complete the project financed by the Draw No. A-2-1 Note and the amount of the failure does not exceed the lesser of (i) 3% of the issue price of the Draw No. A-2-1 Note or (ii) \$250,000.

For purposes of Section 148(f)(4)(C)(vii) of the Code, in the event the Public Agency fails to meet the expenditure requirements referred to above, the Public Agency may elect to pay, in lieu of the Rebatale Arbitrage otherwise required to be paid with respect to such Gross Proceeds, a penalty with respect to the close of each 6-month period after the Issue Date equal to 1.5% of the amount of the Available Construction Proceeds of the Draw No. A-2-1 Note which, as of the close of such period, are not spent as required by the expenditure provisions set forth above. The penalty referred to above shall cease to apply only after the Draw No. A-2-1 Note (including any refunding bonds issued with respect thereto) are no longer outstanding. The Public Agency does not elect the above-described penalty.

In order to qualify for the exemption from the obligation to pay Rebatale Arbitrage to the United States pursuant to this paragraph (e), at least 75% of the Available Construction Proceeds must be used for construction expenditures (as defined in Section 1.148-7(g) of the Regulations) with respect to property which is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code. The term "construction" includes reconstruction and rehabilitation of existing property and rules similar to the rules of Section 142(b)(1)(B) of the Code shall apply. If only a portion of an issue is to be used for construction expenditures, such portion and the other portion of such issue may, at the election of the issuer, be treated as separate issues for purposes of this Section 3(e) (although the remaining portion may not be entitled to the benefits of Section 3(c) hereof). The Public Agency does not elect to treat any portion of the Draw No. A-2-1 Note as a separate issue.

(f) The Public Agency shall keep proper books of records and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Draw No. A-2-1 Note, including moneys derived from, pledged to, or to be used to make

payments on the Draw No. A-2-1 Note. Such records shall, at a minimum, be adequate to enable the Public Agency or its consultants to make the calculations for payment of Rebateable Arbitrage as required by this Statement. The records required to be maintained under this Section 3(f) shall be retained by the Public Agency until six years after the retirement of the last obligation of the Draw No. A-2-1 Note or for such other period as the United States Treasury may by regulations otherwise provide. Such records shall at least specify the account or fund to which each investment (or portion thereof) is to be allocated and shall set forth, in the case of each investment security, (i) its purchase price (including the amount of accrued interest to be stated separately), (ii) identifying information, including par amount, coupon rate, and payment dates, (iii) the amount received at maturity or its sale price, as the case may be, including accrued interest, (iv) the amounts and dates of any payments made with respect thereto, (v) the dates of acquisition and disposition or maturity, (vi) the amount of original issue discount or premium (if any), (vii) the frequency of periodic payments (and actual dates and amounts of receipts), (viii) the period of compounding, (ix) the transaction costs (e.g., commissions) incurred in acquiring, carrying or disposing of the Nonpurpose Investments, and (x) market price data sufficient to establish that the purchase price (disposition price) was not greater than (less than) the arm's-length price (see Section 4 below) on the date of acquisition (disposition) or, if earlier, on the date of a binding contract to acquire (dispose of) such Nonpurpose Investment.

SECTION 4. MARKET PRICE RULES. Except as provided below, the Public Agency agrees to comply with the requirements relating to the "Fair Market Value" of acquired Nonpurpose Investments, as defined in Section 1.148-5(d) of the Regulations ("Fair Market Value"). All investments required to be made pursuant to this Statement shall be made to the extent permitted by law. In this regard, the Public Agency agrees, among other things, that it will not acquire or cause to be acquired a Nonpurpose Investment (or any other investment acquired with Gross Proceeds or on deposit in the Rebate Account) for a price in excess of its Fair Market Value or sell any such investment at a price (determined without any reduction for transaction costs) less than its Fair Market Value, except as provided below. For this purpose, the following rules shall apply:

(a) Established securities markets. Except as otherwise provided below, any market especially established to provide a security or obligation to an issuer of municipal obligations shall not be treated as an established market and shall be rebuttably presumed to be acquired or disposed of for a price that is not its Fair Market Value.

(b) Arm's-length price. Any transaction in which a Nonpurpose Investment is directly purchased with Gross Proceeds, or in which a Nonpurpose Investment allocable to Gross Proceeds is disposed of, shall be undertaken in an arm's-length manner, and no amount shall be paid to reduce the yield on the Nonpurpose Investment.

(c) Safe harbor for establishing Fair Market Value for guaranteed investment contracts and Nonpurpose Investments purchased for a yield restricted defeasance escrow. In the case of a guaranteed investment contract or Nonpurpose Investments purchased for a yield restricted defeasance escrow, the purchase price shall not be considered to be an arm's-length price unless all the following conditions are met:

(i) The Public Agency makes a bona fide solicitation ("Bona Fide Solicitation") for the purchase of the investment that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers;

(2) The bid specifications include all terms of the bid that may directly or indirectly affect the yield or the cost of the investment;

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Public Agency or any other person (whether or not in connection with the bond issue), and that the bid is not being submitted solely as a courtesy to the Public Agency or any other person for purposes of satisfying these requirements;

(4) The terms of the bid specifications are such that there is a legitimate business purpose for each term other than to increase the purchase price or reduce the yield of the investment (e.g., for solicitations of Nonpurpose Investments for a yield restricted defeasance escrow, the hold firm period must be no longer than the Public Agency reasonably requires);

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the Public Agency's reasonably expected deposit and draw down schedule for the amounts to be invested;

(6) All potential providers have an equal opportunity to bid (e.g., no potential provider is given the opportunity to review other bids before providing a bid); and

(7) At least three providers are solicited for bids that have an established industry reputation as a competitive provider of the type of investments being purchased.

(ii) The bids received by the Public Agency must meet all of the following requirements:

(1) The Public Agency receives at least three bids from providers that the Public Agency solicited under a Bona Fide Solicitation and that do not have a material financial interest in the issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue. A provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(2) At least one of the three bids described in paragraph (c) (ii)(1) above is from a provider that has an established industry reputation as a competitive provider of the type of investments being purchased; and

(3) If the Public Agency uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(iii) The winning bid must meet the following requirements:

(1) *Guaranteed investment contracts.* If the investment is a guaranteed investment contract, the winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(2) *Other Nonpurpose Investments.* If the investment is not a guaranteed investment contract, the following requirements are met:

(A) The winning bid is the lowest cost bona fide bid (including any broker's fees). The lowest bid is either the lowest cost bid for the portfolio or, if the Public Agency compares the bids on an investment-by-investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Public Agency from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting these requirements is taken into account in determining the lowest cost bid.

(B) The lowest cost bona fide bid (including any broker's fees) is not greater than the cost of the most efficient portfolio

comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities is to be determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. If such State and Local Government Series Securities are not available for purchase on the day that bids are required to be submitted because sales of those securities have been suspended, the cost comparison described in this paragraph is not required.

(iv) The provider of the investments or the obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay) to third parties in connection with supplying the investment.

(d) The Public Agency shall retain certificates and records documenting compliance with the above requirements until three years after Draw No. A-2-1 is redeemed including, but not limited to, the following:

(i) For purchases of guaranteed investment contracts, a copy of the contract, and for purchases of Nonpurpose Investments other than guaranteed investment contracts, the purchase agreement or confirmation;

(ii) The receipt or other record of the amount actually paid by the Public Agency for the investments, including a record of any administrative costs paid by the Public Agency and the certification required in paragraph (c)(iv) above;

(iii) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results;

(iv) The bid solicitation form and, if the terms of the purchase agreement or the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and

(v) For purchase of Nonpurpose Investments other than guaranteed investment contracts, the cost of the most efficient portfolio of State and Local Government Series Securities, determined at the time that the bids were required to be submitted.

SECTION 5. MODIFICATION UPON RECEIPT OF BOND COUNSEL OPINION. Notwithstanding any provision of this Statement, if the Public Agency shall receive an opinion of Bond Counsel that any specified action required under this Statement is no longer required or that some further or different action is

required to maintain or assure the exclusion from federal gross income of interest with respect to the Draw No. A-2-1 Note, the Public Agency may conclusively rely on such opinion in complying with the requirements of this Statement and the covenants herein shall be deemed to be modified to that extent. This Statement shall be amended or modified by the parties hereto in any manner which is necessary to comply with such regulations as may be promulgated by the United States Treasury Department from time to time.

SECTION 6. ACCOUNTING FOR GROSS PROCEEDS. In order to perform the calculations required by the Code and the Regulations, it is necessary to track the investment and expenditure of all Gross Proceeds. To that end, the Public Agency must adopt reasonable and consistently applied methods of accounting for all Gross Proceeds. Appendix I hereto sets forth a description of the required allocation and accounting rules with which the Public Agency agrees to comply.

SECTION 7. ADMINISTRATIVE COSTS OF INVESTMENTS. Except as otherwise provided in this Section 7, an allocation of Gross Proceeds to a payment or receipt on a Nonpurpose Investment is not adjusted to take into account any costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Nonpurpose Investment (administrative costs). Thus, administrative costs generally do not increase the payments for, or reduce the receipts from, Nonpurpose Investments.

In determining payments and receipts on Nonpurpose Investments, Qualified Administrative Costs are taken into account by increasing payments for, or reducing the receipts from, the Nonpurpose Investments. Qualified Administrative Costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the Public Agency such as employee salaries and office expenses and costs associated with computing Rebatable Arbitrage are not Qualified Administrative Costs.

Allocation and accounting rules are provided in Appendix I attached hereto.

ALLOCATION AND ACCOUNTING RULES

(a) General Rule. Any issuer may use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments and expenditures of an issue. An accounting method is "consistently applied" if it is applied uniformly within a Fiscal Period (as hereinafter defined) and between Fiscal Periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

(b) Allocation of Gross Proceeds to an Issue. Amounts are allocable to only one issue at a time as Gross Proceeds. Amounts cease to be allocated to an issue as Proceeds only when those amounts (i) are allocated to an expenditure for a governmental purpose; (ii) are allocated to Transferred Proceeds of another issue of obligations; or (iii) cease to be allocated to that issue at retirement of the issue or under the Universal Cap.

(c) Allocation of Gross Proceeds to Investments. Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue are not allocated to a payment for that Nonpurpose Investment in an amount greater than, or to a receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment as of the purchase or sale date. The Fair Market Value of a Nonpurpose Investment is adjusted to take into account Qualified Administrative Costs allocable to the investment. Thus, Qualified Administrative Costs increase the payments for, or decrease the receipts from, a Nonpurpose Investment.

(d) Allocation of Gross Proceeds to Expenditures. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include a "specific tracing" method, a "gross-proceeds-spent-first" method, a "first-in-first-out" method or a ratable allocation method, so long as the method used is consistently applied. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made.

(e) Commingled Funds. Any fund or account that contains both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of the funds deposited therein, constitutes a "commingled fund." All payments and receipts (including deemed payments and receipts) on investments held by a commingled fund must be allocated (but not necessarily

distributed) among each different source of funds invested in the commingled fund in accordance with a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include, without limitation, methods that allocate payments and receipts in proportion to either (i) the average daily balances of the amounts in the commingled fund from each different source of funds during any consistent time period within its fiscal year, but at least quarterly (the "Fiscal Period"); or (ii) the average of the beginning and ending balances of the amounts in the commingled fund from each different source of funds for a Fiscal Period that does not exceed one month.

Funds invested in the commingled fund may be allocated directly to expenditures for governmental purposes pursuant to a reasonable consistently applied accounting method. If a ratable allocation method is used to allocate expenditures from the commingled fund, the same ratable allocation method must be used to allocate payments and receipts on investments in the commingled fund.

Generally a commingled fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or on the last day of each Fiscal Period. The net gains or losses from these deemed sales of investments must be allocated to each different source of funds invested in the commingled fund during the period since the last allocation. This mark-to-market requirement does not apply if (i) the remaining weighted average maturity of all investments held by a commingled fund during a particular fiscal year does not exceed 18 months, and the investments held by the commingled fund during that fiscal year consist exclusively of obligations; or (ii) the commingled fund operated exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the same issuer. Subject to the Universal Cap limitation, and the principle that amounts are allocable to only one issue at a time as Gross Proceeds, investments held by a commingled fund must be allocated ratably among the issues served by the commingled fund in proportion to either (i) the relative values of the bonds of those issues; (ii) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (iii) the relative original stated principal amounts of the outstanding issues.

(f) Universal Cap. Amounts that would otherwise be Gross Proceeds allocable to an issue are allocated (and remain allocated) to the issue only to the extent that the Value of the Nonpurpose Investments allocable to those Gross Proceeds does not exceed the Value of all outstanding bonds of the issue. Nonpurpose Investments allocated to Gross Proceeds in a bona fide debt service fund for an issue are not taken into account in determining the Value of the Nonpurpose Investments, and those Nonpurpose Investments remain allocated to the issue. To the extent that the Value of the Nonpurpose Investments allocable to the Gross Proceeds of an issue exceed the Value of all outstanding bonds of that issue, an issuer should seek the advice of Bond Counsel for the procedures necessary to comply with the Universal Cap.

(g) Expenditure for Working Capital Purposes. Subject to certain exceptions, the Proceeds of an issue may only be allocated to "working capital expenditures" as of any date to the extent that those expenditures exceed "available amounts" as of that date (i.e., "proceeds-spent-last").

For purposes of this section, "working capital expenditures" include all expenditures other than "capital expenditures." "Capital expenditures" are costs of a type properly chargeable (or chargeable upon proper election) to a capital account under general federal income tax principles. Such costs include, for example, costs incurred to acquire, construct or improve land, buildings and equipment having a reasonably expected useful life in excess of one year. Thus, working capital expenditures include, among other things, expenditures for current operating expenses and debt service.

For purposes of this section, "available amount" means any amount that is available to an issuer for working capital expenditure purposes of the type financed by the issue. Available amount excludes Proceeds of the issue but includes cash, investments and other amounts held in accounts or otherwise by an issuer for working capital expenditures of the type being financed by the issue without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Notwithstanding the preceding sentence, a "reasonable working capital reserve" is treated as unavailable. A working capital reserve is reasonable if it does not exceed five percent of the actual working capital expenditures of an issuer in the fiscal year before the year in which the determination of available amounts is made. For purpose of the preceding sentence only, in determining the working capital expenditures of an issuer for a prior fiscal year, any expenditures (whether capital or working capital expenditures) that are paid out of current revenues may be treated as working capital expenditures.

The proceeds-spent-last requirement does not apply to expenditures to pay (i) any Qualified Administrative Costs; (ii) fees for qualified guarantees of the issue or payments for a qualified hedge for the issue; (iii) interest on the issue for a period commencing on the Issue Date and ending on the date that is the later of three years from the Issue Date or one year after the date on which the financed project is placed in service; (iv) the United States for yield reduction payments (including rebate payments) or penalties for the failure to meet the spend down requirements associated with certain spending exceptions to the rebate requirement; (v) costs, other than those described in (i) through (iv) above, that do not exceed five percent of the Sale Proceeds of an issue and that are directly related to capital expenditures financed by the issue (e.g., initial operating expenses for a new capital project); (vi) principal or interest on an issue paid from unexpected excess sale or Investment Proceeds; (vii) principal or interest on an issue paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund; and (viii) principal, interest or redemption premium on a prior

issue and, for a crossover refunding issue, interest on that issue. Notwithstanding the preceding paragraph, the exceptions described above do not apply if the allocation merely substitutes Gross Proceeds for other amounts that would have been used to make those expenditures in a manner that gives rise to Replacement Proceeds.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

| Part I Reporting Authority | | If Amended Return, check here <input type="checkbox"/> |
|---|---|--|
| 1 Issuer's name Brevard County, Florida | 2 Issuer's employer identification number (EIN) 59-6000523 | |
| 3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Steven E. Miller, Esq. | 3b Telephone number of other person shown on 3a 813/281-2222 | |
| 4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite c/o Nabors, Giblin & Nickerson, P.A., 2502 Rocky Point Drive 1060 | 5 Report number (For IRS Use Only) 3 | |
| 6 City, town, or post office, state, and ZIP code Tampa, Florida 33607 | 7 Date of issue 10/31/2014 | |
| 8 Name of issue Brevard County, Florida Revenue Note, Draw No. A-2-1 (JPMorgan Chase Bank LOC) | 9 CUSIP number N/A | |
| 10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see Instructions) Stockton Whitten, County Manager | 10b Telephone number of officer or other employee shown on 10a 321/633-2004 | |

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

| | | | |
|--|----|-----------|----|
| 11 Education | 11 | | |
| 12 Health and hospital | 12 | | |
| 13 Transportation | 13 | | |
| 14 Public safety | 14 | 4,100,000 | 00 |
| 15 Environment (including sewage bonds) | 15 | | |
| 16 Housing | 16 | | |
| 17 Utilities | 17 | | |
| 18 Other. Describe ► | 18 | | |
| 19 If obligations are TANs or RANs, check only box 19a ► <input type="checkbox"/> | | | |
| If obligations are BANs, check only box 19b ► <input type="checkbox"/> | | | |
| 20 If obligations are in the form of a lease or installment sale, check box ► <input type="checkbox"/> | | | |

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

| | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
|----|-------------------------|-----------------|---|-------------------------------|------------|
| 21 | 09/03/2019 | \$ 4,100,000 | \$ 4,100,000 | 4.8333 years | Variable % |

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

| | | | | | | |
|---|--|--|--|----|-----------|----|
| 22 Proceeds used for accrued interest | | | | 22 | -0- | |
| 23 Issue price of entire issue (enter amount from line 21, column (b)) | | | | 23 | 4,100,000 | 00 |
| 24 Proceeds used for bond issuance costs (including underwriters' discount) | | | | 24 | -0- | |
| 25 Proceeds used for credit enhancement | | | | 25 | -0- | |
| 26 Proceeds allocated to reasonably required reserve or replacement fund | | | | 26 | -0- | |
| 27 Proceeds used to currently refund prior issues | | | | 27 | -0- | |
| 28 Proceeds used to advance refund prior issues | | | | 28 | -0- | |
| 29 Total (add lines 24 through 28) | | | | 29 | -0- | 00 |
| 30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | | | | 30 | 4,100,000 | 00 |

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

| | | | |
|--|--|-----|-------|
| 31 Enter the remaining weighted average maturity of the bonds to be currently refunded ► | | n/a | years |
| 32 Enter the remaining weighted average maturity of the bonds to be advance refunded ► | | n/a | years |
| 33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ► | | n/a | |
| 34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY) | | n/a | |

Part VI Miscellaneous

- | | |
|------------|-----|
| 35 | n/a |
| 36a | n/a |
| 37 | n/a |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b** Enter the date of the master pool obligation ▶ 10/31/2014
- c** Enter the EIN of the issuer of the master pool obligation ▶ 59-3069537
- d** Enter the name of the issuer of the master pool obligation ▶ Florida Local Government Finance Commission
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 41a** If the issuer has identified a hedge, check here and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

| | | | | | |
|-------------------------------|---|-------------------------|---|---|-----------|
| Signature and Consent | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the Issuer's return information, as necessary to process this return, to the person that I have authorized above. | | | | |
| | Signature of issuer's authorized representative | 10/31/2014 Date | Mary Bolin-Lewis, Chairman Board of County Commissioners Type or print name and title | | |
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Steven E. Miller | | 10/31/2014 | | P01236498 |
| | Firm's name ▶ Nabors, Giblin & Nickerson, P.A. | Firm's EIN ▶ 59-2427540 | | Firm's address ▶ 2502 Rocky Point Drive, Suite 1060, Tampa, Florida 33607 | |
| | | | Phone no. 813/281-2222 | | |

STATE OF FLORIDA - DIVISION OF BOND FINANCE LOCAL BOND MONITORING

[Home](#) | [My Contact Info](#) | [Manage Password](#) | [Logout](#)

Notice of Sale Status

Notice of Sale submission successful.

Submit Date: 10/13/2014

Bond Issue Name: Brevard County, Florida Revenue Note, Draw No. A-2-1 (JPMorgan Chase Bank)

Sale Date: 10/31/2014

Closing Date: 10/31/2014

[Print this page](#)

NAME OF GOVERNMENTAL UNIT
Brevard County

MAILING ADDRESS OF GOVERNMENTAL UNIT OR ITS MANAGER
 Address(1) **2725 Judge Fran Jamleson Way**
 Address(2)
 City **Viera**
 State **FL**
 Zip **32940**

COUNTY(IES) IN WHICH GOVERNMENTAL UNIT HAS JURISDICTION
Brevard

TYPE OF ISSUER
County

IS THE ISSUER A COMMUNITY DEVELOPMENT DISTRICT?

| ISSUE NAME | AMOUNT | INTEREST CALCULATION | YIELD |
|---|-----------------------|----------------------|-----------------|
| Brevard County, Florida Revenue note, Draw No. A-2-1 | \$4,100,000.00 | VARI | Variable |

AMOUNT AUTHORIZED
\$4,100,000.00

DATED DATE (MM/DD/YYYY)
10/31/2014

SALE DATE (MM/DD/YYYY)
10/31/2014

DELIVERY DATE (MM/DD/YYYY)
10/31/2014

LEGAL AUTHORITY FOR ISSUANCE
Ch. 125, F.S.

TYPE OF ISSUE
Revenue

IS THIS A PRIVATE ACTIVITY BOND (PAB)?
 Did This Issue Receive a PAB Allocation?
 Amount of Allocation
\$0.00

SPECIFIC REVENUES(S) PLEDGED
Primary
Annual Appropriation
Secondary

Other

PURPOSE(S) OF THE ISSUE
Primary
Public Safety
Secondary

Other

IS THIS A REFUNDING ISSUE?
 REFUNDED DEBT HAS BEEN

 DID THE REFUNDING ISSUE CONTAIN NEW MONEY?
 APPROXIMATELY WHAT PERCENTAGE OF PROCEEDS IS NEW MONEY?

TYPE OF SALE
Negotiated Private Placement

INSURANCE/ENHANCEMENTS
LOC

RATING(S)
 Moody's
NR
 S & P
NR
 Fitch
NR
 Other

DEBT SERVICE SCHEDULE PROVIDED BY
E-mail

OPTIONAL REDEMPTION PROVISIONS PROVIDED BY
E-mail

PROVIDE THE NAME AND ADDRESS OF THE SENIOR MANAGING UNDERWRITER OR SOLE PURCHASER
Underwriter Florida Local Government Finance Commision
 Address(1) **100 South Monroe Street**
 Address(2)
 City **Tallahassee**

State FL
 Zip 32301
 CO-Underwriter None
 Address(1)
 Address(2)
 City
 State -
 Zip

PROVIDE THE NAME(S) AND ADDRESS(ES) OF ANY ATTORNEY OR FINANCIAL CONSULTANT WHO ADVISED THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE.

Bond Counsel Nabors, Giblin & Nickerson
 Address(1) 2502 Rocky Point Drive
 Address(2) Suite 1060
 City Tampa
 State FL
 Zip 33607

CO-Bond Counsel None
 Address(1)
 Address(2)
 City
 State -
 Zip

Financial Advisor/Consultant None
 Address(1)
 Address(2)
 City
 State -
 Zip

CO-Financial Advisor/Consultant None
 Address(1)
 Address(2)
 City
 State -
 Zip

Other Professionals
 Address(1)
 Address(2)
 City
 State -
 Zip

PAYING AGENT
 County
REGISTRAR
 County

BF2004-A AND BF2004-B

NOTE: The following items are required to be completed in full for all bond issues except those sold pursuant to Section 154 Part III, Sections 159 Parts II, III, or V; or Section 243 Part I, Florida Statutes.

HAS ANY FEE, BONUS, OR GRATUITY BEEN PAID BY ANY UNDERWRITER OR FINANCIAL CONSULTANT, IN CONNECTION WITH THE BOND ISSUE, TO ANY PERSON NOT REGULARLY EMPLOYED OR ENGAGED BY SUCH UNDERWRITER OR CONSULTANT? IF YES, PLEASE PROVIDE THE FOLLOWING INFORMATION WITH RESPECT TO EACH SUCH UNDERWRITER OR CONSULTANT.

HAVE ANY OTHER FEES BEEN PAID BY THE UNIT OF LOCAL GOVERNMENT WITH RESPECT TO THE BOND ISSUE, INCLUDING ANY FEE PAID TO ATTORNEYS OF FINANCIAL CONSULTANTS? IF YES, PLEASE PROVIDE THE TOTAL FEES PAID TO APPLICABLE PARTICIPANTS.

Total Bond Counsel Fees Paid
 \$0.00
 Total Financial Advisor Fees Paid
 \$0.00
 Other Fees Paid

FILING OF THIS FORM HAS BEEN AUTHORIZED BY THE OFFICIAL OF THE ISSUER IDENTIFIED BELOW

Name
 Scott Eills, Clerk of Court
 Title
 Governmental Officer primarily responsible for coordinating
 Issuance of the bonds

FEES CHARGED BY UNDERWRITER

Management Fee (Per Thousand Par Value)
 0
 Private Placement Fee
 \$0.00

UNDERWRITER'S EXPECTED GROSS SPREAD (PER THOUSAND PAR VALUE)

0

FOR ADDITIONAL INFORMATION, THE DIVISION OF BOND FINANCE SHOULD CONTACT:

Name Steven E. Miller
 Title Bond Counsel
 Phone 8132812222
 Company Nabors, Giblin & Nickerson, PA
 Address(1) 2502 Rocky Point Drive
 Address(2) Sulte 1060
 City Tampa
 State FL
 Zip 33607

INFORMATION RELATING TO PARTY COMPLETING THIS FORM (IF DIFFERENT FROM ABOVE)

Name
Title
Phone
Company
Address(1)
Address(2)
City
State
Zip

In order to better serve local governments, the Division of Bond Finance will remind issuers as their deadlines approach for filing continuing disclosure information required by SEC Rule 15c2-12, based on the following information:

IF THE ISSUER IS REQUIRED TO PROVIDE CONTINUING DISCLOSURE INFORMATION IN ACCORDANCE WITH SEC RULE 15c2-12, DO YOU WANT THE DIVISION OF BOND FINANCE TO REMIND YOU OF YOUR FILING DEADLINE?
ON WHAT DATE IS THE CONTINUING DISCLOSURE INFORMATION REQUIRED TO BE FILED? (MM/DD)

PROVIDE THE FOLLOWING INFORMATION REGARDING THE PERSON(S) RESPONSIBLE FOR FILING CONTINUING DISCLOSURE INFORMATION REQUIRED BY SEC RULE 15c2-12 AND THE CONTINUING DISCLOSURE AGREEMENT (INCLUDING OTHER OBLIGATED PARTIES, IF APPROPRIATE):

Name
Title
Phone
Company
Address(1)
Address(2)
City
State
Zip
Fax
Email

SCHEDULE I

| <u>Maturity Date</u> (Mo/Day/Year) | <u>Coupon/ Interest Rate</u> | <u>Principal Payment</u> |
|---------------------------------------|----------------------------------|------------------------------|
| September 3, 2019 | Variable | \$4,100,000 |

Optional Prepayment:

At the request of the County upon sufficient notice to Florida Local Government Finance Commission.

Mandatory Prepayment:

(a) All Loans of the Public Agency will become due and payable in full on the Expiration Date at a prepayment price of 100% of the principal amount Outstanding plus accrued interest to the prepayment date.

(b) If (i) in connection with any extension of the Expiration Date, the Bank notifies the Administrator that the Bank will not extend the Public Agency Commitment beyond the then-current Expiration Date, or will extend the Public Agency Commitment but only at a reduced amount or (ii) the Administrator determines that the Bank will not be extending the Public Agency Commitment or will be reducing the amount of the Public Agency Commitment, a principal amount of all Outstanding Loans of the Public Agency will become due and payable on the then applicable Expiration Date at a prepayment price of 100% of the principal amount to be prepaid plus accrued interest to the prepayment date. The principal amount of Loans required to be prepaid under Section 5.06(b) of the Loan Agreement shall be (A) 100% of the Outstanding principal amount in the event the Bank is not extending the Public Agency Commitment, or (B) the amount by which the Bank is reducing the amount of the Public Agency Commitment. The Administrator will promptly provide the Public Agency with notice of any such required prepayment.

All terms not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

October 31, 2014

Florida Local Government
Finance Commission
Tallahassee, Florida

JPMorgan Chase Bank, N.A.,
as Letter of Credit Provider
Orlando, Florida

U.S. Bank National Association, as Trustee
Orlando, Florida

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

Gentlemen:

I am counsel to Brevard County, Florida (the "Public Agency"), and have been requested by the Public Agency to give this opinion in connection with a loan in the principal amount of \$4,100,000 (the "Loan") by the Florida Local Government Finance Commission (the "Commission") to the Public Agency of funds to finance, refinance or reimburse the costs of the completion of the expansion of the Public Agency's 800 MHz Communication System (the "Project") pursuant to the terms and conditions of the Loan Agreement, dated as of January 30, 2013 (the "Loan Agreement"), among the Commission, the Public Agency and JPMorgan Chase Bank, N.A.

In this connection, I have reviewed such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, including Chapter 125, Florida Statutes, Chapter 163, Florida Statutes, and other applicable provision of law, the relevant resolutions or ordinances adopted by the Board of County Commissioners of the Public Agency approving the Loan (collectively, the "Resolution"), the Loan Agreement and the Trust Indenture, dated as of June 6, 2011, (the "Indenture"), between the Commission and U.S. Bank, National Association, as Trustee. Based on such review and such investigation as I have deemed necessary and such other consideration of law and fact as I believe to be relevant, I am of the opinion that:

1. The Public Agency is a duly constituted political subdivision of the State of Florida ("State"), validly existing and in good standing under the laws of the State, is not in violation of any provision of law material to the transactions contemplated by the Loan Agreement and the Loan, and has all requisite power and authority to execute and deliver the Loan Agreement and the Loan Note or Notes (as defined in the Loan Agreement) related to the Project, to enter into the Loan and to acquire, construct and equip the Project.

Florida Local Government Finance Commission
JPMorgan Chase Bank, N.A., as Letter of Credit Provider
U.S. Bank National Association, as Trustee
Nabors, Giblin & Nickerson, P.A.
October 31, 2014
Page 2

2. No approval, authorization, consent or other order of any governmental entity or of any court, public board or body (other than those already obtained), and no approving referendum of the qualified electors of the Public Agency, is legally required for the Public Agency to enter into and perform its obligations under the Loan Agreement and the Loan Note related to the Project.

3. The Public Agency has the requisite power to acquire, construct and equip the Project and to enter into the Loan Agreement and the Loan and has duly authorized the execution and delivery of the Loan Agreement and the Loan Note related to the Project and receipt of the Loan. The Public Agency is duly authorized to use the proceeds of the Loan to finance, refinance or reimburse the costs of acquiring, constructing and equipping the Project.

4. The Loan Agreement creates a valid pledge of and lien upon the Designated Revenues (as defined in the Loan Agreement).

5. Neither the execution and delivery of the Loan Agreement, receipt of the Loan nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Loan Agreement conflicts with or results in a breach of any of the terms, conditions or provisions of the Constitution or laws of the State (including any limit on indebtedness), or any corporate restriction or any agreement, instrument or governmental or court order to which the Public Agency is now a party or by which it is bound or constitutes a default under any of the foregoing.

6. The Public Agency has obtained all permits and approvals required by any court, governmental body or officer for the execution and delivery of the Loan Agreement and the Loan Note related to the Project and receipt of the Loan; the Public Agency has complied with any applicable provisions of law requiring any notification, declaration, filing or registration with any court, governmental body or officer in connection with the execution, delivery and performance of the Loan Agreement, the Loan Note related to the Project and the Loan.

7. The Loan Agreement and the Loan Note related to the Project have been duly and validly authorized, executed and delivered, are in full force and effect, and each is a valid and legally binding obligation of the Public Agency, enforceable in accordance

Florida Local Government Finance Commission
JPMorgan Chase Bank, N.A., as Letter of Credit Provider
U.S. Bank National Association, as Trustee
Nabors, Giblin & Nickerson, P.A.
October 31, 2014
Page 3

with its respective terms, except to the extent that the enforceability thereof may be limited by laws relating to the bankruptcy or insolvency of the Public Agency or other similar laws affecting creditors' rights generally or by general principles of equity.

8. To the best of my knowledge (based upon due inquiry and investigation), there is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or threatened by judicial or governmental authorities to which the Public Agency is a party or any property of the Public Agency is subject, which, if determined adversely to the Public Agency, would individually or in the aggregate (a) adversely affect the validity or the enforceability of the Loan Agreement, the Loan Note related to the Project or the Loan, (b) otherwise materially and adversely affect the ability of the Public Agency to comply with its obligations under the Loan Agreement or the Loan Note related to the Project, or (c) materially and adversely affect the acquisition, construction and equipping of the Project.

9. The Public Agency is subject to suit in a court of competent jurisdiction by the Trustee or the Commission for the failure to pay any amounts due and owing by the Public Agency under, or the failure to perform any obligation required by, the Loan Agreement and the Public Agency is not entitled to the defense of sovereign immunity or any other comparable defense in any such suit.

10. The Resolution has been duly adopted and is valid and binding upon the Public Agency in accordance with the terms thereof, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy or insolvency of the Public Agency or other similar laws affecting creditors' rights generally or by general principles of equity.

All capitalized terms used in this opinion but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

Very truly yours,

County Attorney



BOARD OF COUNTY COMMISSIONERS

County Attorney's Office
2725 Judge Fran Jamieson Way
Building C, Room 308
Viera, Florida 32940

October 31, 2014

Florida Local Government
Finance Commission
Tallahassee, Florida

JPMorgan Chase Bank, N.A.,
as Letter of Credit Provider
Orlando, Florida

U.S. Bank National Association, as Trustee
Orlando, Florida

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

Gentlemen:

I am counsel to Brevard County, Florida (the "Public Agency"), and have been requested by the Public Agency to give this opinion in connection with a loan in the principal amount of \$4,100,000 (the "Loan") by the Florida Local Government Finance Commission (the "Commission") to the Public Agency of funds to finance, refinance or reimburse the costs of the completion of the expansion of the Public Agency's 800 MHz Communication System (the "Project") pursuant to the terms and conditions of the Loan Agreement, dated as of January 30, 2013 (the "Loan Agreement"), among the Commission, the Public Agency and JPMorgan Chase Bank, N.A.

In this connection, I have reviewed such records, certificates and other documents as I have considered necessary or appropriate for the purposes of this opinion, including Chapter 125, Florida Statutes, Chapter 163, Florida Statutes, and other applicable provision of law, the relevant resolutions or ordinances adopted by the Board of County Commissioners of the Public Agency approving the Loan (collectively, the "Resolution"), the Loan Agreement and the Trust Indenture, dated as of June 6, 2011, (the "Indenture"), between the Commission and U.S. Bank, National Association, as Trustee. Based on such review and such investigation as I have deemed necessary and such other consideration of law and fact as I believe to be relevant, I am of the opinion that:

1. The Public Agency is a duly constituted political subdivision of the State of Florida ("State"), validly existing and in good standing under the laws of the State, is not in violation of any provision of law material to the transactions contemplated by the Loan Agreement and the Loan, and has all requisite power and authority to execute and deliver the Loan Agreement and the Loan Note or Notes (as defined in the Loan Agreement) related to the Project, to enter into the Loan and to acquire, construct and equip the Project.
2. No approval, authorization, consent or other order of any governmental entity or of any court, public board or body (other than those already obtained), and no approving referendum of the qualified electors of the Public Agency, is legally required for the Public

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Agency to enter into and perform its obligations under the Loan Agreement and the Loan Note related to the Project.

3. The Public Agency has the requisite power to acquire, construct and equip the Project and to enter into the Loan Agreement and the Loan and has duly authorized the execution and delivery of the Loan Agreement and the Loan Note related to the Project and receipt of the Loan. The Public Agency is duly authorized to use the proceeds of the Loan to finance, refinance or reimburse the costs of acquiring, constructing and equipping the Project.

4. The Loan Agreement creates a valid pledge of and lien upon the Designated Revenues (as defined in the Loan Agreement).

5. Neither the execution and delivery of the Loan Agreement, receipt of the Loan nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Loan Agreement conflicts with or results in a breach of any of the terms, conditions or provisions of the Constitution or laws of the State (including any limit on indebtedness), or any corporate restriction or any agreement, instrument or governmental or court order to which the Public Agency is now a party or by which it is bound or constitutes a default under any of the foregoing.

6. The Public Agency has obtained all permits and approvals required by any court, governmental body or officer for the execution and delivery of the Loan Agreement and the Loan Note related to the Project and receipt of the Loan; the Public Agency has complied with any applicable provisions of law requiring any notification, declaration, filing or registration with any court, governmental body or officer in connection with the execution, delivery and performance of the Loan Agreement, the Loan Note related to the Project and the Loan.

7. The Loan Agreement and the Loan Note related to the Project have been duly and validly authorized, executed and delivered, are in full force and effect, and each is a valid and legally binding obligation of the Public Agency, enforceable in accordance with its respective terms, except to the extent that the enforceability thereof may be limited by laws relating to the bankruptcy or insolvency of the Public Agency or other similar laws affecting creditors' rights generally or by general principles of equity.

8. To the best of my knowledge (based upon due inquiry and investigation), there is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or threatened by judicial or governmental authorities to which the Public Agency is a party or any property of the Public Agency is subject, which, if determined adversely to the Public Agency, would individually or in the aggregate (a) adversely affect the validity or the enforceability of the Loan Agreement, the Loan Note related to the Project or the Loan, (b) otherwise materially and adversely affect the ability of the Public Agency to comply with its obligations under the Loan

Florida Local Government Finance Commission
JP Morgan Chase Bank, N.A.
U.S. Bank National Trust Association, As Trustee
Nabors Giblin and Nickerson, P.A.

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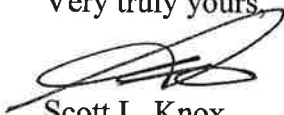
Agreement or the Loan Note related to the Project, or (c) materially and adversely affect the acquisition, construction and equipping of the Project.

9. The Public Agency is subject to suit in a court of competent jurisdiction by the Trustee or the Commission for the failure to pay any amounts due and owing by the Public Agency under, or the failure to perform any obligation required by, the Loan Agreement and the Public Agency is not entitled to the defense of sovereign immunity or any other comparable defense in any such suit.

10. The Resolution has been duly adopted and is valid and binding upon the Public Agency in accordance with the terms thereof, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy or insolvency of the Public Agency or other similar laws affecting creditors' rights generally or by general principles of equity.

All capitalized terms used in this opinion but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

Very truly yours,



Scott L. Knox
County Attorney