

Meeting Date
02/20/18



AGENDA	
Section	Consent
Item No.	II.C.1

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Accept the proposal of Raymond James Capital Funding, Inc. to provide the County with a term loan to prepay certain loans from the Florida Local Government Finance Commission's commercial paper loan program and to finance certain general aviation capital improvements at the Valkaria Airport.
DEPT/OFFICE:	County Finance/Budget Office

Requested Action:

It is requested that the Board adopt a Resolution accepting the proposal by Raymond James Capital Funding, Inc. to provide the County with a term loan to prepay certain loans from the Florida Local Government Finance Commission's commercial paper loan program and to finance certain general aviation capital improvements at the Valkaria Airport. Such term loan will be evidenced through the issuance of the Brevard County, Florida Non-Ad Valorem Revenue Note, Series 2018A (the "2018A Note"). Authorize the Chair to sign the 2018A Note and all loan documents and authorize all necessary budget change requests.

Summary Explanation & Background:

The County borrowed moneys from time to time from the Florida Local Government Finance Commission's commercial paper loan program (the "Prior Loans") to finance various capital improvements throughout the County, including an Emergency Management 800 MHz radio system, improvements at Valkaria Airport, Mosquito Control helicopters, Sheriff CAD/RM/JM and stormwater improvements. These Prior Loans are short-term, variable rate debt obligations. Due to the low current fixed interest rate environment, staff recommends that such loans be refinanced with a fixed rate debt obligation to eliminate interest rate risk. The County has additional capital improvement needs at Valkaria Airport that need to be constructed, including new t-hangars and a new administration/aviation building (the "2018 Project"). The 2018A Note will be secured by a covenant of the County to budget and appropriate non-ad valorem revenues. Actual repayment will come from dedicated revenues associated with each project. The 2018A Note will be amortized over 13 years which is unchanged from the amortization previously established by the County with respect to the Prior Loans.

At the Board's December 19, 2017 meeting, staff and the County's financing team was authorized to issue an RFP to identify the lending institution that could provide the lowest cost option for the refinancing of the Prior Loans and the financing of the 2018 Project. The District received eleven (11) responses to the RFP with Raymond James Capital Funding, Inc. providing the lowest fixed interest rate of 2.66%.

Fiscal Impact:

If approved, the 2018A Note will result in a fixed interest rate of 2.66% through the final maturity of December 1, 2030. When taking into account the costs of issuance, the all in true interest cost is 2.75%. The average annual debt service is approximately \$1,880,000. The departments with the financed and refinanced projects have identified the funding for the required annual debt service.

Clerk to the Board instruction:

Exhibits Attached: 2018A Note Resolution

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager's Office

Frank Abbate 

Department Director / Extension 



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February 21, 2018

M E M O R A N D U M

TO: Jill Hayes, Budget Director

RE: Item II.C.1., Resolution for Acceptance of Proposal by Raymond James Capital Funding Inc. to Provide the County with a Term Loan to Prepay Certain Loans from the Florida Local Government Finance Commission's Commercial Paper Loan Program and to Finance Certain General Aviation Capital Improvements at the Valkaria Airport

The Board of County Commissioners, in regular session on February 20, 2018, adopted Resolution No. 18-021, accepting the proposal by Raymond James Capital Funding, Inc. to provide the County with a Term Loan to prepay certain loans from the Florida Local Government Finance Commission's Commercial Paper Loan Program and to finance certain aviation capital improvements at the Valkaria Airport; such term loan will be evidenced through the issuance of the Brevard County Non-Ad Valorem Revenue Note, Series 2018A; authorized the Chair to execute the 2018A Note and all loan documents; and authorized any budget change requests. Enclosed is a certified copy of the Resolution.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

/cmw

Encl. (1)

cc: Contracts Administration
Budget
Finance

RESOLUTION NO. 18- 021

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF ITS NON-AD VALOREM REVENUE NOTE, SERIES 2018A IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,500,000 TO REFINANCE CERTAIN OUTSTANDING INDEBTEDNESS AND FINANCE CERTAIN GENERAL AVIATION CAPITAL IMPROVEMENTS AT THE VALKARIA AIRPORT; COVENANTING TO BUDGET AND APPROPRIATE CERTAIN LEGALLY AVAILABLE NON-AD VALOREM REVENUES TO PAY DEBT SERVICE ON THE SERIES 2018A NOTE; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH SERIES 2018A NOTE; PROVIDING CERTAIN TERMS AND DETAILS OF SUCH SERIES 2018A NOTE, INCLUDING THE NEGOTIATED SALE OF SAID SERIES 2018A NOTE PURSUANT TO THE PROPOSAL OF RAYMOND JAMES CAPITAL FUNDING, INC.; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE OWNER OF THE SERIES 2018A NOTE; DELEGATING CERTAIN AUTHORITY TO CERTAIN OFFICERS OF THE COUNTY; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA that:

SECTION 1. FINDINGS. It is hereby found and determined that:

A. Brevard County, Florida (the "Issuer" or the "County"), previously incurred certain loans from the Florida Local Government Finance Commission ("FLGFC") in order to finance various capital improvements within the County (collectively, the "Prior Indebtedness").

B. The Issuer has various general aviation capital improvement needs at the Issuer's Valkaria airport that should be acquired, constructed and equipped for the health, safety and general welfare of the citizens of the Issuer, as more particularly described

herein and in the Issuer's plans and specifications, as the same may be modified from time to time (the "Series 2018A Project").

C. Public Financial Management, Inc., Financial Advisor to the Issuer (the "Financial Advisor"), solicited proposals on behalf of the Issuer from various financial institutions to provide a term loan to refinance the Prior Indebtedness and to finance costs of the Series 2018A Project.

D. Raymond James Capital Funding, Inc. (including any successors and assigns, the "Noteholder") submitted its proposal to provide the Issuer with a term loan to refinance the Prior Indebtedness and to finance costs of the Series 2018A Project, which proposal was the most favorable proposal received by the Issuer and a copy of which is attached hereto as Exhibit A (the "Proposal").

E. The most efficient and cost-effective method of refinancing the Prior Indebtedness and financing costs of the Series 2018A Project is through the issuance of the Brevard County, Florida Non-Ad Valorem Revenue Note, Series 2018A (the "Series 2018A Note") to the Noteholder in accordance with the provisions hereof and the terms of the Proposal.

F. Due to the potential volatility of the market for tax-exempt obligations such as the Series 2018A Note and the complexity of the transactions relating to such Series 2018A Note, it is in the best interest of the Issuer to sell the Series 2018A Note by a negotiated sale to the Noteholder pursuant to the terms of the Proposal and the provisions hereof, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2018A Note.

G. The Issuer now desires to formally accept the Proposal, to issue the Series 2018A Note and to award the sale thereof to the Noteholder.

H. In consideration of the purchase and acceptance of the Series 2018A Note authorized to be issued hereunder to the Noteholder, this Resolution shall constitute a contract between the Issuer and the Noteholder.

I. The Series 2018A Note shall be secured solely by a covenant of the Issuer, subject to certain conditions set forth herein, to budget and appropriate from Available Non-Ad Valorem Revenues (as defined herein) amounts sufficient to pay the principal of and interest on the Series 2018A Note, when due, and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Series 2018A Note or to make any other payments provided for in this Resolution, and the Series 2018A Note shall not constitute a lien upon any property whatsoever of or in the Issuer.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This Resolution is enacted pursuant to the provisions of the Constitution of the State of Florida, Chapter 125, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law (collectively, the "Act").

SECTION 3. DEFINITIONS. Capitalized terms not otherwise defined herein shall have the following meanings except as the context may clearly indicate otherwise:

"Additional Amount" shall mean (i) the difference between (a) interest on the Series 2018A Note for the period commencing on the earliest date on which the interest on the Series 2018A Note (or portion thereof) is deemed to have lost its tax-exempt status (which may be as early as the date of issuance of the Series 2018A Note) and ending on the effective date of the adjustment of the Interest Rate to the Taxable Rate (the "Prior Taxable Period") at a rate per annum equal to the Taxable Rate and (b) the aggregate amount of interest paid on the Series 2018A Note during the Prior Taxable Period at the Interest Rate applicable to the Series 2018A Note prior to the adjustment to the Taxable Rate, plus (ii) any penalties, fines, fees, costs and interest paid or payable by the Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

"Adjusted Ad Valorem Tax Revenues" shall mean all ad valorem tax revenues of the Issuer after deducting therefrom the required debt service payments on any limited or unlimited general obligation debt of the Issuer.

"Adjusted Non-Ad Valorem Revenues" shall mean all Non-Ad Valorem Revenues (except revenues of any enterprise fund of the County, unless and until such revenues are transferred from such enterprise fund to the County's general fund) less that portion of the Adjusted Costs of Essential Services which exceeds Adjusted Ad Valorem Tax Revenues.

"Adjusted Costs of Essential Services" shall mean that portion of the Costs of Essential Services which are identified as "general government" or "public safety" in the Issuer's Annual Audit.

"Annual Audit" shall mean the annual audited financial statements of the Issuer prepared in accordance with generally accepted accounting principles applicable to governmental entities such as the Issuer.

"Available Non-Ad Valorem Revenues" shall mean all Non-Ad Valorem Revenues of the Issuer that are legally available to pay principal of and interest on the Series 2018A Note, except for (i) revenues of any enterprise fund of the County, unless and until such revenues are transferred from such enterprise fund to the County's general fund, (ii) Non-Ad Valorem Revenues from any specific source or sources that have been

pledged to secure other indebtedness of the County, until such funds become available for deposit into the County's general fund under the documentation creating such pledge, and (iii) Non-Ad Valorem Revenues required to pay or make provision for the payment of the Costs of Essential Services.

"Balloon Indebtedness" means any indebtedness, 25% or more of the original principal of which matures during any one Fiscal Year.

"Board" shall mean the Board of County Commissioners of the Issuer.

"Bond Counsel" shall mean shall mean Nabors, Giblin & Nickerson, P.A. or any other attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the Noteholder is authorized or required to be closed.

"Chair" shall mean the Chair of the Board or the Vice Chair of the Board.

"Clerk" shall mean the Clerk of the Circuit Court of the County and Ex-Officio Clerk to the Board or any Deputy Clerk of the County.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Costs of Essential Services" shall mean the cost of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the County or which are legally mandated by applicable law.

"County" or "Issuer" shall mean Brevard County, Florida, a political subdivision of the State.

"County Manager" shall mean the County Manager of the Issuer or any Assistant County Manager.

"Default Rate" shall mean the greater of (i) the sum of the Federal Reserve Bank Prime Rate plus three percent (3%), (ii) the sum of the Federal Funds Rate plus five percent (5%), or (iii) seven percent (7%) per annum; provided, however, in no event shall the Default Rate ever be greater than the highest rate of interest allowed by applicable law.

"Determination of Taxability" shall mean a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest

paid or payable on the Series 2018A Note is or was includable in the gross income of the Noteholder for Federal income tax purposes as a result of action or inaction of the Issuer; provided, no Determination of Taxability shall be deemed to occur unless the Issuer has been given written notice of such occurrence and, to the extent permitted by law, an opportunity to participate in and seek, at the Issuer's own expense, a final administrative determination by the Internal Revenue Service or determination by a court of competent jurisdiction (from which no further right of appeal exists) as to the occurrence of such Determination of Taxability.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as most recently published by the Federal Reserve Bank of New York. If for any reason such rate is no longer published, the Noteholder shall select a comparable publication.

"Federal Reserve Bank Prime Rate" means, for any day, the "Bank Prime Loan" rate as most recently reported by Federal Reserve Statistical Release H.15 Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any successor publication. If for any reason Release H.15 is no longer published, the Noteholder shall select a comparable publication to determine the Federal Reserve Bank Prime Rate.

"Financial Advisor" shall mean Public Financial Management, Inc., Financial Advisor to the Issuer.

"Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the immediately succeeding September 30.

"Interest Rate" shall have the meaning ascribed thereto in Section 6B hereof.

"Maturity Date" shall mean December 1, 2030.

"Maximum Annual Debt Service" shall mean with respect to indebtedness that bears interest at a fixed interest rate, the largest aggregate amount of annual debt service coming due in any Fiscal Year in which such indebtedness is scheduled to be outstanding, and, with respect to indebtedness which bears interest at a variable interest rate, Maximum Annual Debt Service shall be determined assuming that interest accrues on such indebtedness at the current "Bond Buyer Revenue Bond Index" as published in *The Bond Buyer* no more than three business days prior to any such calculation; provided, however, if any indebtedness, whether bearing interest at a fixed or variable interest rate, constitutes Balloon Indebtedness, Maximum Annual Debt Service on such indebtedness shall be determined assuming such indebtedness is amortized over 20 years (from the date of issuance of such indebtedness) on an approximately level debt service basis.

"Non-Ad Valorem Revenues" shall mean all revenues of the Issuer not derived from ad valorem taxation.

"Noteholder" shall mean initially Raymond James Capital Funding, Inc., a non-bank subsidiary of Raymond James Bank, and, subsequently, any successive owner of the Series 2018A Note which such successive owner is required to be either (i) a "Qualified Institutional Buyer" as defined under Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, or an "Accredited Investor" as defined in Rule 501 of Regulation D (an "Accredited Investor") promulgated under the Securities Act of 1933, (ii) a bank, savings institution or insurance company (whether acting in a trustee or custodial capacity for any Accredited Investor or Qualified Institutional Buyer or on its own behalf) or (iii) a trust or custodial arrangement each of the beneficial owners of which is an Accredited Investor or Qualified Institutional Buyer.

"Notice Date" means the date of receipt by the Noteholder of the Series 2018A Note of written notice of optional prepayment by the Issuer, specifying the amount of such prepayment, which date shall be at least thirty (30) days prior to such prepayment date.

"Other Debt" shall mean all of the following to the extent that they are secured by or payable in whole or in part from any Non-Ad Valorem Revenues (i) all obligations of the Issuer for borrowed money or evidenced by bonds, debentures, notes or other similar instruments; (ii) all obligations of the Issuer to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; and (iii) all obligations of the Issuer as lessee under capitalized leases.

"Paying Agent" and or "Registrar" as it relates to the Series 2018A Note shall mean the Clerk or his designee.

"Person" shall mean natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Pledged Funds" shall mean (i) the proceeds of the Series 2018A Note pending the application thereof, including amounts on deposit in the Series 2018A Project Account, and (ii) Available Non-Ad Valorem Revenues actually budgeted and appropriated pursuant to Section 9 hereof.

"Prepayment Make-Whole Fee" shall mean the present value of the difference between (i) the amount that would have been realized by the Noteholder on the prepaid amount for the remaining term of the Series 2018A Note at the Interest Rate and (ii) the amount that would be realized by the Noteholder by reinvesting such prepaid amounts for the remaining term of the Series 2018A Note, interpolated to the nearest month, at the

Replacement Rate that was in effect on the Notice Date; both discounted at the Replacement Rate.

"Proposal" shall mean the proposal of the Noteholder to purchase the Series 2018A Note, a copy of which Proposal is attached hereto as Exhibit A.

"Replacement Rate" means the Standard & Poor's Municipal Bond Yield Curve for AA rated credits with an average life closest to the remaining average life of the Series 2018A Note at the time of prepayment as such rate is published in The Bond Buyer as of the Notice Date.

"Resolution" shall mean this Resolution, pursuant to which the Series 2018A Note is authorized to be issued, including any supplemental resolutions.

"Series 2018A Note" shall mean the Brevard County, Florida Non-Ad Valorem Revenue Note, Series 2018A, authorized to be issued pursuant to this Resolution, the form of which is attached hereto as Exhibit B.

"Series 2018A Project" shall mean those general aviation capital improvements at the Valkaria airport to be financed with a portion of the proceeds of the Series 2018A Note, including but not limited to, new T-hangars for general public use and a new administration/aviation building, all as described in the plans and specifications of the Issuer. The Series 2018A Project may be amended or supplemented by the Board from time to time.

"Series 2018A Project Account" shall mean the Series 2018A Project Account established pursuant to Section 11C hereof.

"State" shall mean the State of Florida.

"Taxable Rate" shall mean an interest rate of 4.10% per annum.

SECTION 4. ACCEPTANCE OF PROPOSAL. The Issuer hereby accepts the Proposal of the Noteholder, a copy of which is attached hereto as Exhibit A. To the extent of any conflict between the provisions of this Resolution and the Proposal, this Resolution shall prevail.

SECTION 5. AUTHORIZATION OF SERIES 2018A NOTE AND THE SERIES 2018A PROJECT. Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as the "Brevard County, Florida Non-Ad Valorem Revenue Note, Series 2018A" is hereby authorized to be issued under and secured by this Resolution in the aggregate principal amount of not to exceed \$20,500,000 for the purposes of refinancing the Prior Indebtedness, paying costs of the Series 2018A Project and paying costs of issuing the Series 2018A Note. The Board

authorizes the refinancing of the Prior Indebtedness and the acquisition, construction and equipping of the Series 2018A Project.

SECTION 6. DESCRIPTION AND TERMS OF SERIES 2018A NOTE; PREPAYMENT.

A. The Series 2018A Note shall be dated the date of its delivery and shall mature on the Maturity Date. The aggregate principal amount of the Series 2018A Note and the principal payments due on the Series 2018A Note shall be determined by the County Manager upon the advice of the Financial Advisor and shall be approved by the Noteholder and set forth in the Series 2018A Note. Principal payments shall be payable annually on December 1 of each year commencing December 1, 2018 and ending on the Maturity Date. The Series 2018A Note shall be executed on behalf of the Issuer with the manual signature of the Chair, the official seal of the Issuer, and be attested with the manual signature of the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2018A Note or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Series 2018A Note so signed and sealed has been actually sold and delivered, such Series 2018A Note may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Series 2018A Note had not ceased to hold such office. The Series 2018A Note shall be sold by the Issuer and purchased by the initial Noteholder at a purchase price equal to 99.75% of the principal amount thereof.

B. The Series 2018A Note shall bear interest from its date of issuance, payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2018, at a fixed interest rate of 2.66% per annum (the "Interest Rate"). Interest shall be calculated on the basis of twelve 30-day months and a 360-day year. The Interest Rate is subject to adjustment as provided in Section 13 hereof. The Series 2018A Note shall be issued as one note and the authorized denomination of the Series 2018A Note shall be its outstanding principal amount, as such principal amount changes from time to time.

C. Prior to December 1, 2026, the Series 2018A Note may be prepaid in whole or in part on any Business Day without the consent of Lender upon thirty (30) days prior written notice, at a price of the principal amount to be prepaid plus accrued interest to the date of prepayment plus the Prepayment Make-Whole Fee. The Series 2018A Note may be prepaid in whole or in part on any Business Day on or after December 1, 2026, upon thirty (30) days prior written notice to the Noteholder by payment of an amount equal to the principal amount to be prepaid, plus accrued interest thereon to the date of prepayment, without any prepayment penalty or premium. Prepayments in part must be made in minimum principal amounts of \$500,000 and increments of \$5,000 in excess thereof.

Notwithstanding the foregoing, upon a Determination of Taxability, at the option of the Issuer, the Series 2018A Note may be prepaid in whole at a price of par plus accrued interest at the Taxable Rate from the date of taxability to the date of prepayment plus any penalties and costs incurred by the Noteholder upon thirty (30) days prior written notice to the Noteholder.

Principal prepayments shall be applied to the Series 2018A Note in the inverse order of scheduled principal payment dates.

D. The Series 2018A Note shall be in substantially the form set forth in Exhibit B attached hereto with such changes as shall be approved by the County Manager and the Chair, such approval to be conclusively evidenced by the execution thereof by the Chair.

E. No presentment or delivery shall be required for prepayment or principal installment payments on the Series 2018A Note.

SECTION 7. REGISTRATION AND EXCHANGE OF SERIES 2018A NOTE; PERSONS TREATED AS NOTEHOLDER. So long as the Series 2018A Note shall remain unpaid, the Issuer will keep books for the registration and transfer of the Series 2018A Note. The Series 2018A Note shall be transferable only upon such registration books in whole but not in part, upon delivery to the Issuer of a certificate in form and substance reasonably acceptable to the Issuer evidencing the sale or transfer of the Series 2018A Note. The Issuer, through the Clerk, shall serve as the Paying Agent and Registrar for the Series 2018A Note. The Series 2018A Note may only be transferred to a Person who meets the definition of Noteholder in Section 3 hereof.

Notwithstanding the foregoing, the Noteholder may sell participations in the Series 2018A Note to any number of participants.

The Person in whose name a Series 2018A Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest on such Series 2018A Note shall be made only to or upon the written order of the Noteholder. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2018A Note to the extent of the sum or sums so paid.

SECTION 8. OTHER COVENANTS OF ISSUER. For so long as any of the principal of and interest on the Series 2018A Note shall be outstanding and unpaid, the Issuer covenants with the Noteholder as follows:

A. Payment of Series 2018A Note. The Series 2018A Note shall be secured by and payable from the Pledged Funds. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the Series 2018A Note in accordance with the

provisions hereof. The pledge of and lien on the Pledged Funds shall attach at the time of delivery of the Series 2018A Note.

The Issuer covenants and agrees to transfer to the Noteholder, solely from the Pledged Funds on or prior to the date designated for payment of any principal of or interest on the Series 2018A Note, sufficient moneys to pay such principal or interest.

B. Books and Records; Other Information. Books and records of the Issuer shall be kept in which complete and correct entries shall be made, in accordance with generally accepted accounting principles. No later than 270 days following the end of each Fiscal Year, the Issuer shall make its Annual Audit available to the Noteholder, either by posting such Annual Audit on the Issuer's public website or by providing it directly to the Noteholder. Such financial statements will be in sufficient detail to determine compliance with all applicable financial covenants contained in this Resolution.

No later than 60 days after its adoption, the Issuer shall make its annual budget available to the Noteholder, either by posting such adopted budget on the Issuer's public website or by providing it directly to the Noteholder.

Not later than 270 days after the end of each Fiscal Year, the Issuer shall provide the Noteholder with the certification required by Section 10 hereof.

The Issuer shall provide the Noteholder with other information relating to the Series 2018A Note or the security with respect thereto upon reasonable request.

D. Notice of Defaults. The Issuer shall within ten (10) days after it acquires actual knowledge thereof, notify the Noteholder in writing upon the happening, occurrence, or existence of any Event of Default (as defined in Section 17 hereof), and any event or condition which with the passage of time or giving of notice, or both, would constitute an Event of Default, and shall provide the Noteholder with such written notice, a detailed statement by a responsible officer of the Issuer of all relevant facts and the action being taken or proposed to be taken by the Issuer with respect thereto.

E. Records. The Issuer agrees that any and all records of the Issuer with respect to the Series 2018A Note shall be open to inspection by the Noteholder or its representatives at all reasonable times at the offices the Issuer upon reasonable advance written notice.

F. No Financial Material Adverse Change. No material adverse change in the financial condition of the Issuer or the Pledged Funds has occurred since the Fiscal Year ended September 30, 2016.

SECTION 9. COVENANT TO BUDGET AND APPROPRIATE.

Subject to the other provisions of this Section 9, the Issuer covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Available Non-Ad Valorem Revenues, amounts sufficient to pay the regularly scheduled payments of principal and interest of the Series 2018A Note. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Available Non-Ad Valorem Revenues shall be cumulative to the extent not paid and shall continue until such Available Non-Ad Valorem Revenues in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted and appropriated.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues or any component thereof, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Noteholder of the Series 2018A Note a prior claim on any Non-Ad Valorem Revenues. Such covenant to budget and appropriate Available Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on other debt instruments). Anything in this Resolution to the contrary notwithstanding, it is understood and agreed that the obligations of the Issuer, if any, to pay amounts due hereunder shall be payable from the portion of Available Non-Ad Valorem Revenues budgeted and appropriated as provided for hereunder and nothing herein shall be deemed to pledge ad valorem tax revenues for such interest or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no Noteholder nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer to pay such interest.

Notwithstanding any provisions of this Resolution or the Series 2018A Note to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither this Resolution nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein and is subject in all respects to the provisions of Section 129.01, Florida Statutes.

The covenant to budget and appropriate for the purposes and in the manner stated herein shall have the effect of making available for the payment of the Series 2018A Note, in the manner described herein, Available Non-Ad Valorem Revenues, and placing on the Issuer a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations hereunder; subject, however, in all respects to the restrictions of Sections 129.03 and 129.07, Florida Statutes. The Issuer agrees that its

covenant and agreement to budget and appropriate Available Non-Ad Valorem Revenues shall be deemed entered into for the benefit of the Noteholder and this obligation may be enforced by a court of competent jurisdiction.

SECTION 10. ANTI-DILUTION AND ADDITIONAL DEBT. During each Fiscal Year that the Series 2018A Note is outstanding hereunder, the Issuer agrees and covenants with the Noteholder that Adjusted Non-Ad Valorem Revenues shall be no less than 1.5x the projected aggregate Maximum Annual Debt Service on the Series 2018A Note and Other Debt for each Fiscal Year. The Issuer agrees to provide the Noteholder with a certification that such anti-dilution test has been satisfied and accompanying calculation not later than 270 days after each Fiscal Year end. During each Fiscal Year that the Series 2018A Note is outstanding hereunder, prior to the incurrence of any additional Other Debt, the Issuer agrees and covenants with the Noteholder that Adjusted Non-Ad Valorem Revenues shall be no less than 1.5x the aggregate Maximum Annual Debt Service on the Series 2018A Note and Other Debt, including the proposed Other Debt. Such calculation shall be determined using the average of actual Adjusted Non-Ad Valorem Revenues for the prior two Fiscal Years based on the Issuer's Annual Audits. The Issuer agrees to provide the Noteholder with a certification that such test has been satisfied and accompanying calculation prior to the incurrence of such additional Other Debt.

SECTION 11. APPLICATION OF PROCEEDS OF SERIES 2018A NOTE.

A. A sufficient amount of the Series 2018A Note proceeds shall be applied to the payment of costs and expenses relating to the issuance of the Series 2018A Note.

B. A sufficient amount of the Series 2018A Note proceeds shall be paid to FLGFC to prepay the Prior Indebtedness in full as of the date of issuance of the Series 2018A Note.

C. The balance of the proceeds of the Series 2018A Note shall be deposited to the "Series 2018A Project Account" which is hereby established and shall be applied to pay costs of the Series 2018A Project.

SECTION 12. TAX COVENANT. The Issuer covenants to the Noteholders of the Series 2018A Note that the Issuer will not make any use of the proceeds of the Series 2018A Note at any time during the term of the Series 2018A Note which, if such use had been reasonably expected on the date the Series 2018A Note was issued, would have caused such Series 2018A Note to be an "arbitrage bond" within the meaning of the Code. The Issuer will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Series 2018A Note from the gross income of the holder thereof for purposes of federal income taxation.

SECTION 13. ADJUSTMENT TO INTEREST RATE. In the event of a Determination of Taxability, the interest rate on the Series 2018A Note shall be increased to the Taxable Rate; provided, however, such Taxable Rate shall never exceed the maximum rate allowable by law.

Immediately upon a Determination of Taxability, the Issuer agrees to pay to the Noteholder the Additional Amount.

SECTION 14. AMENDMENT. The Issuer will not modify or amend this Resolution without the written consent of the Noteholder.

SECTION 15. LIMITATION OF RIGHTS. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Series 2018A Note is intended or shall be construed to give to any Person other than the Issuer and the Noteholder any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Noteholder.

SECTION 16. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Series 2018A Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Series 2018A Note of like tenor as the Series 2018A Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Series 2018A Note, or in lieu of and in substitution for the Series 2018A Note destroyed, stolen or lost and upon the Noteholder furnishing the Issuer proof of ownership thereof and indemnity reasonably satisfactory to the Issuer and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Series 2018A Note so surrendered shall be canceled.

SECTION 17. EVENTS OF DEFAULT; REMEDIES OF NOTEHOLDER. The following shall constitute "Events of Default": (A) if the Issuer fails to pay any payment of principal of or interest on the Series 2018A Note when due and payable; (B) if the Issuer defaults in the performance or observance of any covenant or agreement contained in this Resolution or the Series 2018A Note (other than set forth in (A) above) and fails to cure the same within the earlier of thirty (30) days following written notice from the Noteholder or thirty (30) days following the date the Issuer had knowledge of such default; (C) filing of a petition by or against the Issuer relating to bankruptcy, reorganization, arrangement or readjustment of debt of the Issuer or for any other relief relating to the Issuer under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the Issuer, and, in the case of a proceeding other than a voluntary proceeding commenced by the Issuer, the continuance of any such event for 90 days

undismissed or undischarged; or (D) any representation or warranty of the Issuer contained in this Resolution or in any certificate or other closing document executed and delivered by the Issuer in connection with the issuance of the Series 2018A Note shall prove to have been untrue in any material respect when executed and delivered.

Upon the occurrence and during the continuation of any Event of Default, the Interest Rate shall be adjusted to the Default Rate and, in addition, the Noteholder may either at law or in equity, by suit, action, mandamus or other proceeding (including specific performance) in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, or by any applicable statutes to be performed by the Issuer or by any officer thereof. Additionally, upon the occurrence and continuation of an Event of Default specified in section (A) above, or the owner of any Other Debt that is payable from a covenant to budget and appropriate Available Non-Ad Valorem Revenues or Non-Ad Valorem Revenues declares the entire principal amount of such Other Debt immediately due and payable (including by a put or tender right), the Noteholder may declare the entire outstanding principal amount of the Series 2018A Note to be immediately due and payable.

SECTION 18. SEVERABILITY. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

SECTION 19. RULES OF INTERPRETATION. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

SECTION 20. CAPTIONS. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

SECTION 21. PERSONAL LIABILITY EXEMPTION. No recourse under or upon any obligation, covenant or agreement of this Resolution or the Series 2018A Note or for any claim based thereon or otherwise in respect thereof, shall be had against any member of the Board, the Chair, the Clerk, the County Attorney, the County Manager or any staff, employees or agents of the Issuer, past, present or future, either directly or through the Issuer (collectively, "Issuer Participants") it being expressly understood (i) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the Issuer Participants under or by reason of the obligations, covenants or

agreements contained in this Resolution or implied therefrom, and (ii) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every Issuer Participant are waived and released as a condition of, and as a consideration for, the execution of this Resolution and the issuance of the Series 2018A Note, on the part of the Issuer.

SECTION 22. AUTHORIZATIONS. The Chair and any member of the Board, the County Attorney, the Clerk, the County Manager and such other officials and employees of the Issuer as may be designated by the Issuer are each designated as agents of the Issuer in connection with the issuance and delivery of the Series 2018A Note, the refinancing of the Prior Indebtedness and the financing of the Series 2018A Project and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Issuer that are necessary or desirable in connection with the execution and delivery of the Series 2018A Note, the refinancing of the Prior Indebtedness and the financing of the Series 2018A Project, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

SECTION 23. WAIVER OF JURY TRIAL; APPLICABLE LAW AND JURISDICTION.

(A) To the extent permitted by applicable law, the Issuer and the Noteholder, knowingly, voluntarily and intentionally waives any right each may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Resolution, the Series 2018A Note or any agreement contemplated to be executed in connection with this Resolution, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party with respect hereto.

(B) The substantive laws of the State of Florida shall govern this Resolution, the Series 2018A Note or any agreement contemplated to be executed in connection with this Resolution. The Issuer submits to the jurisdiction of Florida courts and federal courts and agrees that venue for any suit concerning this Resolution or the Series 2018A Note shall be in Brevard County, Florida and the Middle District of Florida.

SECTION 24. REPEALER. All resolutions or parts thereof in conflict herewith are hereby repealed.

[Remainder of page intentionally left blank]

SECTION 25. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

This Resolution passed and adopted this 20th day of February, 2018.

BOARD OF COUNTY COMMISSIONERS
BREVARD COUNTY, FLORIDA,



(SEAL)

By: 

Rita Pritchett, Chair

As approved by Board 2/20/18

ATTEST:

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

EXHIBIT A

PROPOSAL OF RAYMOND JAMES

RAYMOND JAMES

January 24, 2018

Re: Brevard County, Florida – Non Ad Valorem Revenue Note, Series 2018

On behalf of Raymond James Capital Funding, Inc., we are pleased to submit the attached direct loan proposal including the terms and conditions applicable to make a fixed rate term loan to Brevard County, Florida pursuant to the RFP distributed January 5th.

Transaction Overview

- Borrower:** Brevard County, Florida (the "County")
- Lender:** Raymond James Capital Funding, Inc. – a non-bank subsidiary of Raymond James Bank (the "Lender")
- Facility:** The obligation will be in the form of a loan evidenced by the County's Non Ad Valorem Revenue Note, Series 2018 issued by the County in an amount not to exceed the amount below (the "2018 Loan"). Interest on the 2018 Loan shall be tax-exempt to the holders thereof.
- Purpose:** The 2018 Loan proceeds will be used to refinance outstanding commercial paper and fund new money needs related to Valkaria Airport projects. The commercial paper was originally issued to provide interim financing for projects related to the Emergency Management 800 MHz radio system, Valkaria Airport, Mosquito Control helicopters, Sheriff CAD/RM/JM and stormwater improvements.
- Amount:** Not to exceed \$20,500,000
- Closing Date:** On or before February 28, 2018 (the "Closing Date")
- Security:** The 2018 Loan will be secured by a covenant to budget and appropriate legally available Non-Ad Valorem Revenues in an amount sufficient to pay the debt service on the 2018 Loan. The 2018 Loan will not be secured by a reserve account.
- Term/Maturity:** The 2018 Loan shall be amortized through December 1, 2030. Principal installments shall be due annually on December 1, as shown in the estimated amortization schedule below. Interest shall be due semiannually each June 1 and December 1, beginning June 1, 2018. Interest payments on the outstanding principal balance of the 2018 Loan shall be calculated on a 30/360-day basis.

Raymond James Capital Funding, Inc.

710 Carillon Parkway // St. Petersburg, FL 33716 // 727.567.8000 // raymondjamesbank.com

Brevard County, FL 2018 Loan	
Maturity Date	Amortization
12/1/2018	\$1,125,000
12/1/2019	1,370,000
12/1/2020	1,425,000
12/1/2021	1,470,000
12/1/2022	1,525,000
12/1/2023	1,565,000
12/1/2024	1,615,000
12/1/2025	1,665,000
12/1/2026	1,720,000
12/1/2027	1,780,000
12/1/2028	1,845,000
12/1/2029	1,895,000
12/1/2030	<u>1,185,000</u>
	\$20,185,000

- Interest Rate:** The tax-exempt interest rate on the 2018 Loan, shall be fixed for the term of the financing at a rate of **2.66%**. The interest rate shall be locked until the Closing Date at no additional cost to the County. If the closing occurs after February 28, 2018, the rate may be reset subject to market conditions at the time of closing.
- Original Issue Discount:** The Lender will make the loan at a discount of 0.25% of the par amount of the 2018 Loan, which discount shall be treated as original issue discount for Federal income tax purposes.
- Lender Counsel:** The Lender shall be represented by Michael Wiener with Holland & Knight LLP. Lender Counsel's responsibilities shall be limited to a review of documents with fees capped at \$7,000 to be paid by the County.
- Prepayment:** Except as provided under "Taxability" below, the 2018 Loan may only be prepaid in whole or in part on or after December 1, 2026, on any business day upon 30 days prior written notice to the Lender at 100% of the then outstanding principal amount plus any accrued interest. Prior to this date, the 2018 Loan may not be prepaid in whole or in part without consent of the Lender (which may require a make-whole payment). Partial prepayments shall

be applied in inverse order of maturity and shall be subject to a minimum amount of \$500,000 and increments of \$5,000 in excess thereof.

Conditions

Precedent:

The County and its agents shall deliver closing documents and make the representations customary in similar transactions and acceptable to the Lender. The County shall certify to the Lender that no other indebtedness secured by a covenant to budget and appropriate from Non Ad Valorem Revenues is subject to acceleration. While preliminary credit approval has been obtained in order to issue this term sheet, the final amount and terms shall be subject to final credit approval as a condition precedent to closing this transaction. Such approval can be expected to be completed within 10 business days of notification of award.

Covenants:

The County shall comply with the Anti-Dilution Test as stated in the Request for Proposals. The County shall provide the Lender with annual audits within 270 days of the County's fiscal year-end and budgets within 30 days of adoption. The County shall also provide such other information as the Lender shall reasonably request.

Default Rate:

Under any Event of Default, including but not limited to (i) a failure by the County to timely pay any amount due under the 2018 Loan documents on the date on which such amount is due and payable under the terms of the 2018 Loan documents, and (ii) the failure by the County to observe and perform any term or covenant, condition or agreement on its part to be observed or performed under the Bond Ordinance or Resolution, and such default shall continue and not be cured for a period of 30 days from the earlier of written notice of such default from the Lender or when the County had knowledge of such default, the interest rate on the 2018 Loan shall accrue at the Default Rate. The Default Rate shall be calculated at the greater of (a) the published Federal Reserve Bank's Prime Rate +3%, (b) the Federal Funds Rate +5%, or (c) 7%, per annum. Once the Event of Default is cured, the interest rate will revert back to the original tax-exempt rate effective as of the cure date.

Tax Treatment:

The interest component on the 2018 Loan shall be excludable from gross income for federal income tax purposes. The County shall covenant to perform all actions, functions or requirements in order to maintain the tax-exempt status on the 2018 Loan. The Lender shall be provided an opinion of tax counsel satisfactory to the Lender and Lender's Counsel which concludes that the interest on the 2018 Loan (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes. Lender shall require an opinion from the County's bond counsel that the loan and loan documents are exempt from registration and qualification under the Securities Act of 1933, as amended, and Trust Indenture Act of 1939, as amended.

Defaults/Remedies: Upon the breach of any covenant, agreement or warranty, the financing documents will provide remedies to the Lender customary for transactions of this nature, exercise rights and remedies available under law, equity or under the terms of the resolution and/or other financing documents and the interest rate shall be adjusted to the Default Rate described above.

Taxability: The interest rate shall be grossed-up for an event of taxability caused by actions or inactions of the County. Upon an event of taxability of the 2018 Loan, the interest rate shall increase to a taxable rate of 4.10% as of the date of taxability including a payment reflecting the difference between the tax-exempt and taxable rate from the determination of taxability plus any penalties and interest paid or payable by such Holder to the Internal Revenue Service by reason of such Determination of Taxability. Upon a determination of taxability, at the option of the County, the 2018 Loan may be prepaid at par plus accrued interest at the taxable rate from the date of taxability to the date of prepayment plus any penalties and costs incurred by Lender upon 30 days prior written notice to the Lender.

Waiver of Jury Trial: The County and the Lender will waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to the transactions contemplated hereby or any documents related thereto.

No Advisory or Fiduciary Role: The County acknowledges and agrees that: (i) information contained in this document regarding the 2018 Loan is for discussion purposes only in anticipation of engaging in arm's length commercial transactions with the County in which the Lender would be acting solely as a principal to make a loan to the County, and not as a municipal advisor, financial advisor or fiduciary to the County or any other person or entity regardless of whether the Lender or an affiliate has or is currently acting as such on a separate transaction; (ii) the Lender has not assumed any advisory or fiduciary responsibility to the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender or its affiliates have provided other services or are currently providing other services to the County on other matters); (iii) the only obligations the Lender has to the County with respect to the transaction contemplated hereby expressly are set forth in this term sheet and the financing documents; and (iv) the County has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Disclaimer: This term sheet includes information related to a direct purchase transaction ("Direct Purchase"). Please be advised that Direct Purchase is a product offering of the Lender or a subsidiary thereof as lender/investor. Additionally,

the Lender has financial and other interests that differ from your interests. In its capacity as lender/investor, Lender's sole role would be to enter into a loan agreement to provide funds for the purpose stated above. Lender will not have any duty or liability to any person or entity in connection with the information provided herein. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934.

Confidentiality:

This term sheet is confidential and proprietary, and terms herein may not be disclosed without our prior written consent, except to your professional advisors in connection with the 2018 Loan who agree to be bound by such confidentiality requirements, or as may be required by law. Notwithstanding anything herein to the contrary, any party hereto may disclose to any and all persons, without limitation of any kind, the tax treatment or tax structure of this transaction. Furthermore, the parties to this transaction may disclose, as required by federal or state laws, any information as required to comply with such federal or state laws.

This term sheet will expire and the transaction must close on or before February 28, 2018 unless extended by Lender. Thank you for the opportunity to be of service to Brevard County. Should you have any questions, please don't hesitate to contact me at the number below.

Sincerely,



Cord D. King
Tax-Exempt Lending Manager
Raymond James Capital Funding, Inc.
710 Carillon Parkway
St. Petersburg, FL 33716
(p) 727.567.2055
(f) 866.205.1396
cord.king@raymondjames.com

Acceptance:

BREVARD COUNTY, FLORIDA

By: 

Title: CHAIR

Date: 2/20/18

ATTEST:



SCOTT ELLIS, CLERK

EXHIBIT B

FORM OF SERIES 2018A NOTE

February 28, 2018

\$ _____

**BREVARD COUNTY, FLORIDA
NON-AD VALOREM REVENUE NOTE, SERIES 2018A**

Maturity Date: December 1, 2030

Brevard County, Florida (the "Issuer"), for value received, promises to pay from the sources hereinafter provided, to the order of **Raymond James Capital Funding, Inc.**, or registered assigns (hereinafter, the "Owner"), the principal sum of _____ MILLION _____ HUNDRED THOUSAND AND 00/100 DOLLARS, in the amounts and on the dates described below, together with interest on the principal balance at a rate of 2.66% per annum (subject to adjustment as described in the hereinafter described Resolution) semi-annually on each June 1 and December 1 commencing June 1, 2018. Interest shall be calculated on the basis of twelve 30-day months and a 360-day year.

Principal on this Note is payable annually in lawful money of the United States of America at such place as the Owner may designate to the Issuer in writing pursuant to the following schedule:

<u>Payment Date</u>	<u>Principal Amount</u>
December 1, 2018	
December 1, 2019	
December 1, 2020	
December 1, 2021	
December 1, 2022	
December 1, 2023	
December 1, 2024	
December 1, 2025	
December 1, 2026	
December 1, 2027	
December 1, 2028	
December 1, 2029	
December 1, 2030	

Prior to December 1, 2026, this Note may be prepaid in whole or in part on any Business Day (as defined in the Resolution) without the consent of Lender upon thirty (30) days prior written notice, at a price of the principal amount to be prepaid plus accrued interest to the date of prepayment plus the Prepayment Make-Whole Fee (as defined in the Resolution). This Note may be prepaid in whole or in part on any Business Day on or after December 1, 2026, upon thirty (30) days prior written notice to the Noteholder by payment of an amount equal to the principal amount to be prepaid, plus accrued interest thereon to the date of prepayment, without any prepayment penalty or premium. Prepayments in part must be made in minimum principal amounts of \$500,000 and increments of \$5,000 in excess thereof.

Notwithstanding the foregoing, upon a Determination of Taxability (as defined in the Resolution), at the option of the Issuer, this Note may be prepaid in whole at a price of par plus accrued interest at the Taxable Rate from the date of taxability to the date of prepayment plus any penalties and costs incurred by the Noteholder upon 30 days prior written notice to the Noteholder.

If any date for the payment of principal and interest hereon or the taking of any action hereunder shall fall on a day which is not a Business Day, the payment due or action to be taken on such date shall be due on the next succeeding day which is a Business Day, but the Issuer shall not receive credit for the payment until it is actually received by the Owner.

All payments by the Issuer pursuant to this Note shall apply first to accrued interest, then to other charges due the Owner, and the balance thereof shall apply to principal.

This Note is issued pursuant to the provisions of the Constitution of the State of Florida, Chapter 125, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law (the "Act"), and Resolution No. 18-___ adopted by the Board of County Commissioners of the Issuer on February 20, 2018 (the "Resolution"), and is subject to all the terms and conditions of the Act and the Resolution. All terms, conditions and provisions of the Resolution are by this reference thereto incorporated herein as a part of this Note. Terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

Payments of the principal of and interest on this Note shall be limited obligations of the Issuer, payable solely from the Pledged Funds to the extent provided in the Resolution. The Issuer has agreed in the Resolution, subject to the limitations described therein, to appropriate in its annual budget, by amendment, if necessary, from Available Non-Ad Valorem Revenues, amounts sufficient to pay the regularly scheduled payments of principal and interest of this Note. Such covenant and agreement on the part of the Issuer to budget and appropriate such amounts of Available Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Available Non-Ad Valorem Revenues in amounts sufficient to make all such required payments shall have been

budgeted, appropriated and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted and appropriated.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues or any component thereof, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owner a prior claim on the Non-Ad Valorem Revenues. Such covenant to budget and appropriate Available Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on other debt instruments). Anything in the Resolution to the contrary notwithstanding, it is understood and agreed that the obligations of the Issuer, if any, to pay amounts due on this Note shall be payable from the portion of Available Non-Ad Valorem Revenues budgeted and appropriated as provided for under the Resolution and nothing in the Resolution or this Note shall be deemed to pledge ad valorem tax revenues for such interest or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and the Owner of this Note nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer to pay such interest.

Notwithstanding any provisions of the Resolution or this Note to the contrary, the Issuer shall never be obligated to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Neither the Resolution nor the obligations of the Issuer under the Resolution or this Note shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein and is subject in all respects to the provisions of Section 129.01, Florida Statutes.

The covenant to budget and appropriate for the purposes and in the manner stated in the Resolution shall have the effect of making available for the payment of this Note, in the manner described in the Resolution, Available Non-Ad Valorem Revenues, and placing on the Issuer a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Resolution; subject, however, in all respects to the restrictions of Sections 129.03 and 129.07, Florida Statutes. The Issuer agrees that its covenant and agreement to budget and appropriate Available Non-Ad Valorem Revenues shall be deemed entered into for the benefit of Owner of this Note and this obligation may be enforced by a court of competent jurisdiction.

The Note shall not constitute a general obligation or a pledge of the faith, credit or taxing power of the Issuer, the State, or any political subdivision or agency thereof, within the meaning of any constitutional or statutory provisions. Neither the State, nor any political subdivision or agency thereof, nor the Issuer shall be obligated (i) to exercise its ad valorem taxing power in any form on any real or personal property of or in the Issuer to pay the principal of the Note, the interest thereon, or other costs incidental thereto or (ii) to

pay the same from any other funds of the Issuer except from the Pledged Funds, in the manner provided in the Resolution.

This Note may be exchanged or transferred by the Owner hereof, in whole but not in part, but only upon the registration books maintained by the Issuer and in the manner and subject to the conditions provided in the Resolution.

The interest rate on this Note is subject to adjustment as provided in Sections 13 and 17 of the Resolution.

It is hereby certified, recited and declared that all acts, conditions and prerequisites required to exist, happen and be performed precedent to and in the execution, delivery and the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Note is in full compliance with and does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, Brevard County, Florida, has issued this Note and has caused the same to be signed by the Chair of the Board of County Commissioners and attested to and countersigned by the Clerk of said Board, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be reproduced hereon, all as of the 28th day of February, 2018.

BREVARD COUNTY, FLORIDA

(SEAL)

By: 



Rita Pritchett, Chair

Approved by the Board on

February 20, 2018

ATTEST:

By:



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