RESOLUTION NO. 12-10-96

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, PROVIDING FOR THE BORROWING OF THE PRINCIPAL AMOUNT OF NOT TO EXCEED $6,400,000 FROM SUNTRUST EQUIPMENT FINANCE & LEASING CORP. TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE VILLAGE; PROVIDING FOR THE ISSUANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, CAPITAL IMPROVEMENT REFUNDING REVENUE BOND, SERIES 2012; PLEDGING REVENUES DERIVED FROM THE VILLAGE'S LOCAL GOVERNMENT HALF-CENT SALES TAX FOR THE PAYMENT OF SAID SERIES 2012 BOND; PROVIDING FOR THE PAYMENT OF THE SERIES 2012 BOND AND THE EXECUTION AND RELATED FINANCING DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2012 BOND; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, that:

Section 1. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act").

Section 2. Definitions. The following terms shall have the following meanings when used in this resolution unless the context clearly requires otherwise. Words importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement.

"Bond Year" means a 12-month period commencing on December 1 and ending on November 30, except for the first period which commences on the date of issuance of the Series 2012 Bonds.


"Clerk" means the Clerk of the Village or, in the Clerk's absence, any Deputy Clerk.

"Commitment" means the Commitment dated August 29, 2012, for purchase of the Bond and the provision of a term loan financing, submitted to the Village by the Purchaser and accepted by the Village with such changes as agreed to by the Village and the Purchaser.
“Council” means the Village Council of the Village, as the governing body of the Village.


“Finance Director” means the Director of Finance of the Village.

“Financial Advisor” means RBC Capital Markets, LLC.

“Loan” means the advance of moneys from the Purchaser to the Village pursuant to the Loan Agreement.

“Loan Agreement” means the agreement between the Purchaser and the Village setting forth the terms and details of the Loan, in substantially the form attached hereto as Exhibit A with such modifications or changes thereto as may be necessary or desirable, in the opinion of the Village Attorney and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Village any additional rights or privileges not inconsistent with the terms of the Commitment, such approval to be presumed by the execution and delivery thereof by the Village to the Purchaser.

“Local Government Half-Cent Sales Tax” means the sums deposited into the Local Government Half-Cent Sales Tax Trust Fund created pursuant to Chapter 218, Part VI, Florida Statutes.

“Mayor” means the Mayor of the Village, or in the Mayor’s absence, the Vice Mayor.

“Pledged Revenues” means (i) the Sales Tax Revenues, (ii) the moneys on deposit in the funds and accounts, and (iii) certain investment earnings.

“Purchaser” means SunTrust Equipment Finance & Leasing Corp., a corporation organized and existing under the laws of the Commonwealth of Virginia and authorized to do business in the State of Florida and its successors and/or assigns.

“Refunded Bonds” means collectively, all of the Village’s outstanding $1,300,000 Capital Improvement Revenue Bond, Series 2009 (“Series 2009 Bonds”), the outstanding $2,906,500 Public Improvement Revenue Bond, Series 2007 (Founders Park Marina Project) (“Series 2007 Bonds”) and outstanding $3,385,000 Special Assessment Improvement Bond, Series 2006 (North Plantation Key Wastewater Project).

“Resolution” means, collectively, this resolution and all resolutions amendatory hereof and supplemental hereto.

“Sales Tax Revenues” means the proceeds of the Local Government Half-Cent Sales Tax, when, as, and if distributed to the Village in each Bond Year, pursuant to Chapter 218, Part VI, Florida Statutes.
“Series 2012 Bond” means the Islamorada, Village of Islands, Florida, Capital Improvement Revenue Bonds, Series 2012, authorized herein, in substantially the form attached to the Loan Agreement as Exhibit A, with such modifications or changes thereto as may be necessary or desirable, in the opinion of the Village Attorney, and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Village any additional rights or privileges not inconsistent with the terms of the Commitment, such approval to be presumed by the execution and delivery thereof by the Village to the Purchaser.

“Village” means Islamorada, Village of Islands, Florida, a municipal corporation of the State of Florida.

“Village Administrator” means the Village Manager of the Village, or his designee.

Section 3. Findings. It is hereby found, declared, and determined by the Council:

(A) The Village has determined that it is necessary and in the best interests of the health, safety and welfare of the Village and its inhabitants that the Village currently refund the Refunded Bonds for significant net present value debt service savings. Issuance of the Series 2012 Bond to refund the Refunded Bonds satisfies a public purpose.

(B) The Sales Tax Revenues are not currently pledged to any obligation of the Village, except the Series 2007 Bonds which are being refunded with the Series 2012 Bonds.

(C) The Series 2012 Bond will be payable from Pledged Revenues. The Pledged Revenues will be sufficient to pay the Series 2012 Bond as the same becomes due.

(D) The Village has solicited proposals from lending institutions for the Loan. The Village Council determined that the Purchaser’s Commitment contained terms most favorable to the Village.

(E) Because of the characteristics of the Series 2012 Bond, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Series 2012 Bond, it is in the best interest of the Village to purchase the Series 2012 Bond at a private negotiated sale from the Purchaser. The Village has received the Commitment from the Purchaser for the Loan, and, based upon the advice of the Financial Advisor, it is in the best interests of the Village that the Commitment be accepted. Prior to the issuance of the Series 2012 Bond, the Village shall receive from the Purchaser, a Purchaser’s Certificate, the form of which is attached hereto as Exhibit B and the Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

(F) The obligation of the Village to repay the Series 2012 Bond in accordance with its terms and to make the payments required under the Loan Agreement is hereby declared to be and shall be a special, limited obligation of the Village, secured solely by the Pledged Revenues.
The obligation of the Village to repay the Series 2012 Bond in accordance with its terms and to make any other payments, if any, required under the Series 2012 Bond or the Loan Agreement shall not be or constitute a general obligation or indebtedness of the Village and neither the Series 2012 Bond nor the Loan Agreement shall be or constitute a "bond" of the Village within the meaning of Article VII, Section 12, Florida Constitution (1968). Neither the Purchaser nor any successor owner of the Series 2012 Bond shall be entitled to compel the payment of the principal of or interest on the Series 2012 Bond or the making of any payments required under the Series 2012 Bond or the Loan Agreement from any moneys of the Village other than the Pledged Revenues.

Section 4. Approval of Commitment. The Village accepts the Purchaser's Commitment.

Section 5. Authorization of Series 2012 Bond and Refunding. Subject and pursuant to the provisions hereof and in accordance with the provisions of the Loan Agreement, the issuance by the Village of its Series 2012 Bond, in an aggregate principal amount of not to exceed Six Million Four Hundred Thousand Dollars ($6,400,000) and the refunding of the Refunded Bonds, to be dated, to bear interest, to be payable, to mature, to be subject to redemption and to have such other characteristics as provided in the Series 2012 Bond, the Loan Agreement and the Commitment, and to be secured as provided in the Loan Agreement.

Section 6. Approval of Form of Loan Agreement and Series 2012 Bond. The Loan Agreement and the Series 2012 Bond, in substantially the form attached hereto as Exhibit A, are approved, and the Mayor and Clerk are authorized to execute and deliver the Loan Agreement and the Series 2012 Bond to the Purchaser, and to take such other actions as shall be necessary to consummate the Loan.

Section 7. Authorization of Other Action. The Mayor, the Clerk, the Village Administrator, the Finance Director and the Village Attorney are each designated agents of the Village in connection with the execution and delivery of the Loan Agreement and the Series 2012 Bond and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Village which are necessary or desirable in connection with the execution and delivery of the Loan Agreement and the Series 2012 Bond to the Purchaser, including, but not limited to, the making of modifications to the Loan Agreement and the Series 2012 Bond to conform the provisions thereof to the provisions of the Commitment.

Section 8. Application of Proceeds of Loan. The proceeds of the Loan shall be used to currently refund the Refunded Bonds and pay related associated costs of issuance (including but not limited to legal and financial advisory fees and expenses).

Section 9. Repeal of Inconsistent Provisions. All resolutions or parts thereof in conflict with this resolution are hereby repealed to the extent of such conflict.
Section 10. Severability. If any one or more of the covenants, agreements, or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all other provisions of the Resolution or of the Series 2012 Bond or Loan Agreement delivered hereunder.

Section 11. Amendment. This Resolution may not be amended or repealed except with the prior written consent of the Purchaser.

Section 12. Effective Date. This Resolution shall take effect immediately upon its adoption.

[Remainder of this page intentionally left blank]
PASSED AND ADOPTED, this 25th day of October, 2012.

Motion to adopt by Councilman Reckwerdt, second by Councilman Achenberg.

FINAL VOTE AT ADOPTION
Mayor Ken Philipson            YES
Vice Mayor Ted Blackburn      YES
Councilmember Don Achenberg   YES
Councilmember Michael Reckwerdt YES
Councilmember Dave Purdo       YES

KEN PHILIPSON, MAYOR

ATTEST:

KYRIE WAGNER, DEPUTY VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND BENEFIT OF ISLAMORADA,
VILLAGE OF ISLANDS ONLY:

VILLAGE ATTORNEY
Weiss, Serota, Helfman, Pastoriza,
Cole & Boniske, P.L.
EXHIBIT A

FORM OF LOAN AGREEMENT
EXHIBIT B

FORM OF PURCHASER’S CERTIFICATE

This is to certify that SunTrust Equipment Finance & Leasing Corp., or its assignee (the "Purchaser") has not required Islamorada, Village of Islands, Florida (the "Village") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Village in connection with the issuance by the Village of its not to exceed $6,400,000 Capital Improvement Refunding Revenue Bond, Series 2012 (the "Series 2012 Bond"), and no inference should be drawn that the Purchaser, in the acceptance of said Series 2012 Bond, is relying on Bond Counsel or the Village Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the Village Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 2012-___ adopted by the Village Council of the Village on October 25, 2012 (the "Resolution").

We are aware that investment in the Series 2012 Bond involves various risks, that the Series 2012 Bond is not a general obligation of the Village or payable from ad valorem tax revenues, and that the payment of the Series 2012 Bond is secured solely from the sources described in the Resolution (the "Pledged Revenues").

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

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2012 Bond and can bear the economic risk of our investment in the Series 2012 Bond.

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

We are not acting as a broker or other intermediary, and are purchasing the Series 2012 Bond as an investment for our own account and not with a present view towards a resale or other distribution to the public. We understand that the Series 2012 Bond may not be transferred in a denomination less than the par amount outstanding at the time of transfer.
We are a bank, trust company, savings institution, insurance company, dealer, investment company, pension or profit-sharing trust, or qualified institutional buyer as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 2012 Bond for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

We are an "accredited investor" within the meaning of the Securities Act of 1933, as amended, and Regulation D thereunder.

DATED this ___ of ____________ 2012.

SUNTRUST EQUIPMENT FINANCE & LEASING, CORP.

By: ____________________________
Name: __________________________
Title: ___________________________

B-2
EXHIBIT C

FORM OF DISCLOSURE LETTER

Following a competitive selection process, the undersigned, as purchaser, proposes to negotiate with the Islamorada, Village of the Islands, Florida (the "Village") for the private purchase of its not to exceed $6,400,000 Capital Improvement Refunding Revenue Bond, Series 2012 ("Series 2012 Bond"). Prior to the award of the Series 2012 Bond, the following information is hereby furnished to the Village:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Purchaser") in connection with the issuance of the Series 2012 Bond (such fees and expenses to be paid by the Village):

   $5,000
   Legal Fees

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Series 2012 Bond to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

   (b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Village, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Village and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2012 Bond.

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

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

5. Truth-in-Bonding Statement:
The Series 2012 Bond is being issued primarily to refund all of the Village’s outstanding $1,300,000 Capital Improvement Revenue Bond, Series 2009 ("Series 2009 Bonds") and the $2,906,500 Public Improvement Revenue Bond, Series 2007 (Founders Park Marina Project) (Series 2007 Bonds), and outstanding $3,385,000 Special Assessment Improvement Bond, Series 2006 (North Plantation Key Wastewater Project).

Unless earlier prepaid, the Series 2012 Bond is expected to be repaid by ________, 20____ at an interest rate of ____%, total interest paid over the life of the Series 2012 Bond is estimated to be $__________.

The Series 2012 Bond will be payable solely from the Pledged Revenues in the manner and to the extent described in Resolution No. 2012-____ of the Village adopted on October 25, 2012 (the "Resolution"). See the Resolution for a definition of Pledged Revenues. Issuance of the Series 2012 Bond is estimated to result in an annual maximum of approximately $__________ of revenues of the Village not being available to finance the services of the Village during the life of the Series 2012 Bond. This paragraph is provided pursuant to Section 218.385, Florida Statutes.

6. The name and address of the Purchaser is as follows:
   SunTrust Equipment Finance & Leasing Corp.
   300 East Joppa Road, 7th Floor
   Towson, Maryland 21286

   IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Purchaser this ___ day of ____________, 2012.

SUNTRUST EQUIPMENT FINANCE & LEASING, CORP.

By: ________________________________
Name: ______________________________
Title: ______________________________
18. Bank of America
   (a) Notice to Bank of America
   (b) Certificate of Bank of America

19. TIB Bank
   (a) Notice to TIB Bank
   (b) Certificate of TIB Bank

20. Centennial Bank
   (a) Notice to Centennial Bank
   (b) Certificate of Centennial Bank

21. Closing Memorandum

Distribution:

(1) Islamorada, Village of Islands, Florida
(1) Bryant Miller Olive P.A.
(1) Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.
(1) SunTrust Equipment Finance & Leasing Corp.
(1) McGuire Woods
(1) RBC Capital Markets LLC
Bryant Miller Olive

$6,324,625.70
ISLAMORADA, VILLAGE OF ISLANDS
CAPITAL IMPROVEMENT REFUNDING REVENUE BOND
SERIES 2012
November 5, 2012

Bryant Miller Olive
SunTrust International Center
1 SE 3rd Avenue
Suite 2200
Miami, FL 33131
(305) 374-7349
www.bmolaw.com
November 5, 2012

Village Council of the
Islamorada, Village of Islands, Florida
Islamorada, Florida

SunTrust Equipment Finance &
Leasing Corp.
Towson, Maryland 21286

$6,324,625.70
Islamorada, Village of Islands, Florida
Capital Improvement Refunding Revenue Bond, Series 2012

Ladies and Gentlemen:

We have acted as Bond Counsel to Islamorada, Village of Islands, Florida (the "Village") in connection with the issuance by the Village of its $6,324,625.70 Capital Improvement Refunding Revenue Bond, Series 2012 (the "Series 2012 Bond") pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, Charter of Islamorada, Village of Islands, Florida, Resolution No. 12-10-96 adopted on October 25, 2012 (the "Resolution"), the Loan Agreement dated November 5, 2012 (the "Loan Agreement") and other applicable provisions of law. In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Village contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Weiss Serota Helfman Pastoriza Cole & Boniske, P.L., Village Attorney, as to the due
It is to be understood that the rights of the owners of the Series 2012 Bond and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of any other offering material relating to the Series 2012 Bond. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2012 Bond. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2012 Bond. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Village with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2012 Bond or regarding the perfection or priority of the lien on the Pledged Revenues created by the Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2012 Bond other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully Submitted,

BRYANT MILLER OLIVE P.A.

Bryant Miller, Olive P.A.
November 5, 2012

Village Council of the
Islamorada, Village of Islands, Florida
Islamorada, Florida

SunTrust Equipment Finance &
Leasing Corp.
Towson, Maryland 21286

Bryant Miller Olive P.A.
Miami, Florida

$6,324,625.70
Islamorada, Village of Islands, Florida
Capital Improvement Refunding Revenue Bond, Series 2012

Ladies and Gentlemen:

We are the Village Attorney for the Islamorada, Village of Islands, Florida (the “Village”) and have acted as such in connection with the adoption by the Village of Resolution No. 12-10-96 on October 25, 2012 (the “Resolution”) authorizing the issuance of the Village’s $6,324,625.70 Capital Improvement Refunding Revenue Bond, Series 2012 (the “Series 2012 Bond”) and the Loan Agreement dated November 5, 2012 (the “Loan Agreement”). The Series 2012 Bond is being issued for the purpose of refunding the Village’s outstanding $1,300,000 Capital Improvement Revenue Bond, Series 2009 (“Series 2009 Bonds”), the outstanding $2,906,500 Public Improvement Revenue Bond, Series 2007 (Founders Park Marina Project) (“Series 2007 Bonds”) and outstanding $3,385,000 Special Assessment Improvement Bond, Series 2006 (North Plantation Key Wastewater Project). All terms not otherwise defined in this opinion shall have the meanings ascribed to them in the Resolution.
Village (a) seeking to restrain or enjoin the issuance or delivery of the Series 2012 Bond or the application of the proceeds thereof, or (b) challenging the validity of the Series 2012 Bond or the transactions described thereby, or (c) challenging the collection of Local Government Half-Cent Sales Tax Revenues (as defined in the Resolution) or (d) challenging the existence or powers of the Village or the titles of its officers to their respective offices or (e) which, if determined adversely to the Village or its interests, would have a material adverse effect upon the consummation of the transactions described in, or the validity of, the Series 2012 Bond, or upon the financial condition, assets, properties or operations of the Village.

In rendering this opinion, we are acting as an expert only as to matters arising under Florida law.

WEISS SEROTA HELFMAN
PASTORIZA COLE & BONISKE, P.L.

By: [Signature]
Nina L. Boniske, Esquire
LOAN AGREEMENT

by and between

ISLAMORADA, VILLAGE OF THE ISLANDS, FLORIDA

and

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
Dated November 5, 2012

relating to

$6,324,625.70

ISLAMORADA, VILLAGE OF THE ISLANDS, FLORIDA
CAPITAL IMPROVEMENT REFUNDING REVENUE BOND, SERIES 2012
This LOAN AGREEMENT is made and entered into as of November 5, 2012 by and between ISLAMORADA, VILLAGE OF THE ISLANDS, FLORIDA (the “Village”), and SUNTRUST EQUIPMENT FINANCE & LEASING CORP., a corporation organized and existing under the laws of the Commonwealth of Virginia and authorized to do business in the State of Florida (the “Purchaser”).

WITNESSETH:

WHEREAS, the Village has previously determined that it is necessary of the health, safety and welfare of the Village and in the best interest of its inhabitants to current refund the Refunded Bonds (as hereinafter defined). Issuance of the Series 2012 Bond (as hereinafter defined) to refund the Refunded Bonds satisfies a paramount public purpose.

WHEREAS, the Village requested proposals from various lending institutions to provide the Village with a term loan to refinance the Refunded Bonds; and

WHEREAS the Purchaser has agreed to lend the Village an aggregate principal amount of $6,324,625.70; and

WHEREAS, the Village Council on October 25, 2012, selected the proposal of the Purchaser; and

WHEREAS, pursuant to the Resolution, the Village has determined that it is in the best interest of the health, safety and welfare of the Village and the inhabitants thereof that the Village pledge the Pledged Revenues to secure the obligations of the Village to repay the principal of and interest on the Series 2012 Bond when due; and

WHEREAS, the obligation of the Village to repay principal of and interest on the Series 2012 Bond will not constitute a general obligation or indebtedness of the Village as a “bond” within the meaning of any provision of the Constitution or laws of the State, but shall be and is hereby declared to be a special, limited obligation of the Village, secured solely by the Pledged Revenues; and

WHEREAS, the Village is not authorized to levy taxes on any property of or in the Village to pay the principal of or interest on the Series 2012 Bond or to make any other payments provided for herein; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS. Capitalized terms used in this Loan Agreement and not defined in this Section 1 shall have the meanings assigned in the Resolution. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:
"Loan Agreement" means this agreement between the Purchaser and the Village setting forth the terms and details of the Loan.

"Local Government Half-Cent Sales Tax" means the sums deposited into the Local Government Half-Cent Sales Tax Trust Fund created pursuant to Chapter 218, Part VI, Florida Statutes.

"Maturity Date" means June 1, 2027.

"Paying Agent" means the Finance Director.

"Payment Date" means each December 1 and June 1 commencing December 1, 2012 and continuing through the Maturity Date.

"Person" or words importing persons, means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities, and natural persons.

"Pledged Revenues" means (i) the Sales Tax Revenues, (ii) the moneys on deposit in the funds and accounts, and (iii) certain investment earnings.

"Principal Amount" means Six Million Three Hundred Twenty-Four Thousand Six Hundred Twenty-Five and 70/100 Dollars ($6,324,625.70).

"Purchaser" means SunTrust Equipment Finance & Leasing Corp., a corporation organized and existing under the laws of the Commonwealth of Virginia and authorized to do business in the State of Florida and its successors and/or assigns.

"Refunded Bonds" means collectively, all of the Village’s outstanding $1,300,000 Capital Improvement Revenue Bond, Series 2009 ("Series 2009 Bond"), the outstanding $2,906,500 Public Improvement Revenue Bond, Series 2007 (Founders Park Marina Project) ("Series 2007 Bond") and outstanding $3,385,000 Special Assessment Improvement Bond, Series 2006 (North Plantation Key Wastewater Project) ("Series 2006 Bond").

"Register" means the books maintained by the Registrar in which are recorded the name and address of the Registered Owner of the Series 2012 Bond.

"Registered Owner" means the person in whose name the ownership of the Series 2012 Bonds is registered on the books maintained by the Registrar. The initial Registered Owner shall be the Purchaser.

"Registrar" means the Person maintaining the Register. The Registrar shall initially be the Clerk.
The Interest Rate on the Series 2012 Bond shall be a fixed rate of interest equal to 2.21%, subject to adjustment as provided in the Series 2012 Bond. Interest on the Series 2012 Bond shall be calculated using a 360-day year consisting of twelve 30-day months.

Interest on the Series 2012 Bond shall be paid semi-annually on each Payment Date, commencing December 1, 2012. On each Payment Date, the Village shall pay a semi-annual installment of the outstanding principal due on the Series 2012 Bond in an amount specified in Schedule 2 attached to the Series 2012 Bond.

The Series 2012 Bond is subject to redemption prior to its maturity at the option of the Village, in whole, on any Payment Date, upon not less than twenty (20) days prior written notice, at a redemption price of 100% of the principal amount being redeemed plus accrued interest to the date of redemption.

SECTION 5. EXECUTION OF SERIES 2012 BOND. The Series 2012 Bond shall be executed in the name of the Village by the Mayor and attested by the Clerk, and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The Series 2012 Bond may be signed and sealed on behalf of the Village by any person who at the actual time of the execution of the Series 2012 Bond shall hold the appropriate office in the Village, although at the date thereof the person may not have been so authorized. The Series 2012 Bond may be executed by the facsimile signatures of the Mayor and/or Clerk, provided that at least one of the foregoing signatures must be a manual signature.

SECTION 6. REGISTRATION AND TRANSFER OF SERIES 2012 BOND. The Series 2012 Bond shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each Registered Owner, in accepting the Series 2012 Bond, shall be conclusively deemed to have agreed that such Series 2012 Bond shall be and have all of the qualities and incidents of negotiable instruments thereunder.

There shall be a Registrar who shall be responsible for maintaining the Register. The person in whose name ownership of a Series 2012 Bond is shown on the Register shall be deemed the Registered Owner thereof by the Village and the Registrar, who may treat the Registered Owner as the absolute owner of the Series 2012 Bond for all purposes, whether or not the Series 2012 Bond shall be overdue, and any notice to the contrary shall not be binding upon the Village or the Registrar.

Ownership of the Series 2012 Bond may be transferred only upon the Register. Upon surrender to the Registrar for transfer or exchange of the Series 2012 Bond accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Registered Owner or its attorney duly authorized in writing, the Registrar shall deliver in the name of the Registered Owner or the transferee or transferees, as the case may be, a new fully
new Series 2012 Bond, the lost, stolen or destroyed Series 2012 Bond be at any time found by anyone, and such new Series 2012 Bond shall be entitled to equal and proportionate benefits and rights as to security for payment to the same extent as the Series 2012 Bond originally issued hereunder.

SECTION 8. FORM OF SERIES 2012 BOND. The Series 2012 Bond shall be in substantially the form attached hereto as Exhibit A, with such variations, omissions and insertions as may be necessary, desirable and authorized or permitted by this Loan Agreement.

SECTION 9. SECURITY FOR SERIES 2012 BOND; SERIES 2012 BOND NOT DEBT OF THE VILLAGE.

The payment of the principal of and interest on the Series 2012 Bond shall be secured forthwith solely by a lien upon and pledge of the Pledged Revenues. The principal of and interest on the Series 2012 Bond shall not constitute a general obligation or indebtedness of the Village, but shall be a limited obligation of the Village payable solely from the Pledged Revenues as provided herein. The Registered Owner shall never have the right to compel the levy of taxes upon any property of or in the Village for the payment of the principal of and interest on the Series 2012 Bond.

SECTION 10. COVENANTS OF THE VILLAGE. Until the principal of and interest on the Series 2012 Bond shall have been paid in full or provision for payment of the Series 2012 Bond shall have been made in accordance with the provisions of this Loan Agreement, the Village covenants with the Registered Owner of the Series 2012 Bond as follows:

A. Payments. The Village will punctually pay all principal of and interest on the Series 2012 Bond when due by wire transfer or other medium acceptable to the Village and the Purchaser.

B. Financial Statements. The Village shall provide to the Purchaser its audited year-end financial statements no later than 150 days after the end of the each Fiscal Year prepared in accordance with Generally Accepted Accounting Principles.

C. Annual Budget and Other Information. The Village will prepare its annual budget in accordance with the Act, and will provide to the Purchaser (i) a copy of its tentative annual budget for each Fiscal Year within 30 days of presentation thereof to the Council by the Village budget officer as provided in Section 166.241, Florida Statutes, (ii) a copy of its final annual budget for each Fiscal Year within 30 days of adoption thereof by the Council, (iii) a copy of each continuing disclosure filing made by the Village in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5) within 30 days of filing with the dissemination agent for the Village and (iv) such other financial or public information as the Purchaser may reasonably request.
C. **Sales Tax Revenues.** The Village currently receives the Sales Tax Revenues and is legally entitled to pledge from such Sales Tax Revenues amounts necessary to pay the principal of and interest on the Series 2012 Bond when due as provided herein. The Village estimates that the Sales Tax Revenues will be available in amounts sufficient to pay the principal of and interest on the Series 2012 Bond as the same becomes due prior to the Maturity Date and, to pay all principal of and interest on the Series 2012 Bond on the Maturity Date. The Village shall take all lawful action necessary to enable the Village to continue to receive the Sales Tax Revenues in at least the amounts necessary to pay principal and interest on the Series 2012 Bond to the extent not paid from some other source.

D. **Financial Statements.** The audited financial statements of the Village for the Fiscal Year ended September 30, 2011 (the “Financial Statements”), previously provided to the Purchaser were prepared in accordance with generally accepted accounting principles, are correct and present fairly the financial condition of the Village as of such date and the results of its operations for the period then ended.

**SECTION 12. CONDITIONS PRECEDENT.** The obligation of the Purchaser to make the Loan is subject to the satisfaction of each of the following conditions precedent on or before the Date of Delivery:

A. **Action.** The Purchaser shall have received a copy of the Resolution certified as complete and correct as of the closing date, together with an executed Loan Agreement, the executed Series 2012 Bond, and the customary closing certificates.

B. **Incumbency of Officers.** The Purchaser shall have received an incumbency certificate of the Village in respect of each of the officers who is authorized to sign this Loan Agreement, the Series 2012 Bond, and the related financing documents on behalf of the Village.

C. **Opinion of Village Attorney.** The Purchaser shall have received a written opinion of the Village Attorney as to (1) the valid existence of the Village as a municipal corporation of the State; (2) the due adoption of the Resolution; (3) the due authorization and execution of this Loan Agreement, the Series 2012 Bond and an Escrow Agreement, if required, and the transaction contemplated hereby and thereby; (4) the Loan Agreement and the Series 2012 Bond constituting valid and binding obligations of the Village, enforceable against the Village, in accordance with their respective terms; and (5) the absence of litigation against the Village relating to (a) its existence or powers, (b) its authority to issue the Series 2012 Bond, pledge the Pledged Revenues, and (c) the procedure governing the authorization and issuance of the Series 2012 Bond, in a form and substance satisfactory to the Purchaser.

D. **Certificate of Finance Director.** The Purchaser shall have received a certification from the Finance Director that: (1) since the date of the Financial Statements, there has been no material adverse change in the financial condition, revenues, properties or operations of the Village; (2) there are no liabilities (of the type required to be reflected on balance sheets
A. Failure by the Village to make any payment of principal of or interest on the Series 2012 Bond when due.

B. Failure by the Village to observe and perform any other covenant, condition or agreement on its part to be observed or performed under this Loan Agreement for a period of thirty (30) days after written notice of such failure shall have been delivered to the Village by the Purchaser, unless the Purchaser shall agree in writing to an extension of such time prior to its expiration;

C. The making of any warranty, representation or other statement by the Village or by an officer or agent of the Village in this Loan Agreement or in any instrument furnished in compliance with or in reference to this Loan Agreement which is false or misleading in any material adverse respect;

D. The filing of a petition against the Village under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, if an order for relief is entered under such petition or such petition is not dismissed within sixty (60) days of such filing;

E. The filing by the Village of a voluntary petition in bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or the consent by the Village to the filing of any petition against it under such law; or

F. The admission by the Village of its insolvency or bankruptcy or its inability to pay its debts as they become due or that it is generally not paying its debts as such debts become due, or the Village’s becoming insolvent or bankrupt or making an assignment for the benefit of creditors, or the appointment by court order of a custodian (including without limitation a receiver, liquidator or trustee) of the Village or any of its property taking possession thereof and such order remaining in effect or such possession continuing for more than sixty (60) days.

G. The occurrence of a Determination of Taxability, as defined in the Series 2012 Bond.

SECTION 15. REMEDIES. The Purchaser may sue to protect and enforce any and all rights, including the right to specific performance, existing under the laws of the State of Florida, of the United States of America, or granted and contained in this Loan Agreement, and to enforce and compel the performance of all duties required by this Loan Agreement or by any applicable laws to be performed by the Village, the Council or by any officer thereof, and may take all steps to enforce this Loan Agreement to the full extent permitted or authorized by the laws of the State of Florida or the United States of America. The Village and the Purchaser each waives, to the fullest extent permitted by law, any right to trial by jury in respect of any
IN WITNESS WHEREOF, the parties hereto have duly executed this Loan Agreement as of the date first above written.

ISLAMORADA, VILLAGE OF THE ISLANDS, FLORIDA

By: [Signature]
Mayor

ATTEST:

By: [Signature]
Kyrie Wagner, Deputy Village Clerk

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND BENEFIT OF ISLAMORADA, VILLAGE OF ISLANDS ONLY:

[Signature]
Village Attorney
Weiss, Serota, Helfman, Pastoriza,
Cole & Boniske, P.L.
EXHIBIT A
FORM OF BOND

No. R-1

$_______

ISLAMORADA, VILLAGE OF THE ISLANDS, FLORIDA

CAPITAL IMPROVEMENT REFUNDING REVENUE BOND, SERIES 2012

RATE OF INTEREST MATURITY DATE DATE OF ISSUE
____% _______________ ___, 2012

REGISTERED OWNER: SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
PRINCIPAL AMOUNT: __________________________

KNOW ALL MEN BY THESE PRESENTS, that ISLAMORADA, VILLAGE OF THE ISLANDS, Florida (the “Village”), for value received, hereby promises to pay to the Registered Owner designated above, or registered assigns, solely from the special funds hereinafter mentioned, in installments, on the Payment Dates indicated in Schedule 2 attached hereto and on the Maturity Date, or sooner as provided herein, the Principal Amount shown above and the interest on the outstanding Principal Amount hereof from the date of this Bond or from the most recent date to which interest has been paid, whichever is applicable, until payment of such Principal Amount, at the Rate of Interest described above, and subject to adjustment as set forth in Schedule 1 attached hereto, with all unpaid interest being due on the Maturity Date or upon the earlier payment of principal hereunder upon presentation and surrender hereof at the office of the Clerk for ISLAMORADA, VILLAGE OF THE ISLANDS, as Registrar and Paying Agent. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Interest due hereon shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. This Bond is subject to redemption prior to its maturity at the option of the Village, in whole, on any Payment Date, upon not less than thirty (20) days prior written notice, at a redemption price of 100% of the principal amount being redeemed plus accrued interest to the date of redemption.

This Bond is being issued in the aggregate principal amount $_______ to refund certain capital improvements of the Village under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Part II, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 2012-____, duly adopted by the Village Council on October 25, 2012 (the “Resolution”), and pursuant to a Loan Agreement between the Village and the Registered Owner, dated ____, 2012 (the “Loan Agreement”), to which reference should be made to ascertain those terms and conditions. The terms and provisions of the Loan Agreement and the Resolution are hereby incorporated as a part of this Bond. The principal of this Bond shall be disbursed by the
IN WITNESS WHEREOF, ISLAMORADA, VILLAGE OF THE ISLANDS, Florida, has caused this Bond to be executed by the Mayor and attested by the Clerk, either manually or with their facsimile signatures, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the Date of Issue above.

ISLAMORADA, VILLAGE OF THE ISLANDS, FLORIDA

(SEAL)

By: ______________________________________
Mayor

ATTEST:

By: ______________________________________
Village Clerk
ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto ______________________ (Please insert Social Security or other identifying number of transferee) __________________ the attached Bond of Islamorada, Village of Islands, Florida, and does hereby constitute and appoint, ______________ attorney, to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature Guaranteed by

__________________________
By:_____________________
Title:__________________

[member firm of the New York Stock Exchange or a commercial bank or a trust company.]

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.
SCHEDULE 1
ADJUSTMENTS TO INTEREST RATE IN CERTAIN EVENTS

(i) Adjustment of Interest Rate for Full Taxability. In the event a Determination of Taxability shall have occurred, the rate of interest on the Bond shall be increased to the Taxable Rate, effective retroactively to the date on which the interest payable on the Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof. In addition, the Registered Owner of the Bond or any former Registered Owners of the Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States of America by the Registered Owner or former Registered Owners of the Bond as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village within sixty (60) days following the Determination of Taxability and demand by the Registered Owner. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof, which notice or notification is not contested by either the Village or any Registered Owner of the Bond, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Village to the effect that interest on the Bond is includable for federal income tax purposes in the gross income of the Registered Owner thereof.

(ii) Adjustment of Interest Rate for Partial Taxability. In the event that interest on the Bond during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of the Bond, then the interest rate on the Bond shall be increased during such period by an amount equal to: (A-B) x C where:

(A) A equals the Taxable Rate (expressed as a percentage);

(B) B equals the interest rate on the Bond (expressed as a percentage); and

(C) C equals the portion of the Bond the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the Registered Owner of the Bond or any former Registered Owner of the Bond, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Registered Owner or former Registered Owners of the Bond as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village within sixty (60) days following the Determination of Taxability and demand by the Registered Owner.
SCHEDULE 2

DEBT SERVICE FOR THE SERIES 2012 BOND
CERTIFICATE OF RECORDING OFFICER

1. I am the duly appointed, qualified and acting Deputy Village Clerk of Islamorada, Village of Islands, Florida, and keeper of the records thereof, including the minutes of its proceedings;

2. A meeting was duly convened on October 25, 2012, in conformity with all applicable requirements; a proper quorum was present throughout said meeting and the instrument hereinafter mentioned was duly proposed, considered and adopted in conformity with applicable requirements; and all other requirements and proceedings incident to the proper adoption of said instrument have been duly fulfilled, carried out and otherwise observed;

3. I am duly authorized to execute this Certificate; and

4. The copy of Resolution No. 12-10-96 is annexed hereto, entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, PROVIDING FOR THE BORROWING OF THE PRINCIPAL AMOUNT OF NOT TO EXCEED $6,400,000 FROM SUNTRUST EQUIPMENT FINANCE & LEASING CORP. TO REFUND CERTAIN OUTSTANDING OBLIGATIONS OF THE VILLAGE; PROVIDING FOR THE ISSUANCE OF ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA, CAPITAL IMPROVEMENT REFUNDING REVENUE BOND, SERIES 2012; PLEDGING REVENUES DERIVED FROM THE VILLAGE’S LOCAL GOVERNMENT HALF-CENT SALES TAX FOR THE PAYMENT OF SAID SERIES 2012 BOND; PROVIDING FOR THE PAYMENT OF THE SERIES 2012 BOND AND THE EXECUTION AND RELATED FINANCING DOCUMENTS IN CONNECTION THEREWITH; AUTHORIZING FURTHER OFFICIAL ACTION IN CONNECTION WITH THE DELIVERY OF THE SERIES 2012 BOND; AND PROVIDING AN EFFECTIVE DATE.

is a true, correct and compared copy of the original instrument referred to in said minutes and as finally adopted at said meeting, is in full force and effect and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

DATED this 5th day of November, 2012.

ISLAMORADA, VILLAGE OF ISLANDS, FLORIDA

(Seal)

By: [Signature]

Deputy Village Clerk
“Council” means the Village Council of the Village, as the governing body of the Village.


“Finance Director” means the Director of Finance of the Village.

“Financial Advisor” means RBC Capital Markets, LLC.

“Loan” means the advance of moneys from the Purchaser to the Village pursuant to the Loan Agreement.

“Loan Agreement” means the agreement between the Purchaser and the Village setting forth the terms and details of the Loan, in substantially the form attached hereto as Exhibit A with such modifications or changes thereto as may be necessary or desirable, in the opinion of the Village Attorney and Bond Counsel, to conform the terms thereof to the terms of the Commitment or to secure for the Village any additional rights or privileges not inconsistent with the terms of the Commitment, such approval to be presumed by the execution and delivery thereof by the Village to the Purchaser.

“Local Government Half-Cent Sales Tax” means the sums deposited into the Local Government Half-Cent Sales Tax Trust Fund created pursuant to Chapter 218, Part VI, Florida Statutes.

“Mayor” means the Mayor of the Village, or in the Mayor’s absence, the Vice Mayor.

“Pledged Revenues” means (i) the Sales Tax Revenues, (ii) the moneys on deposit in the funds and accounts, and (iii) certain investment earnings.

“Purchaser” means SunTrust Equipment Finance & Leasing Corp., a corporation organized and existing under the laws of the Commonwealth of Virginia and authorized to do business in the State of Florida and its successors and/or assigns.

“Refunded Bonds” means collectively, all of the Village’s outstanding $1,300,000 Capital Improvement Revenue Bond, Series 2009 (“Series 2009 Bonds”), the outstanding $2,906,500 Public Improvement Revenue Bond, Series 2007 (Founders Park Marina Project) (“Series 2007 Bonds”) and outstanding $3,385,000 Special Assessment Improvement Bond, Series 2006 (North Plantation Key Wastewater Project).

“Resolution” means, collectively, this resolution and all resolutions amendatory hereof and supplemental hereto.

“Sales Tax Revenues” means the proceeds of the Local Government Half-Cent Sales Tax, when, as, and if distributed to the Village in each Bond Year, pursuant to Chapter 218, Part VI, Florida Statutes.
The obligation of the Village to repay the Series 2012 Bond in accordance with its terms and to make any other payments, if any, required under the Series 2012 Bond or the Loan Agreement shall not be or constitute a general obligation or indebtedness of the Village and neither the Series 2012 Bond nor the Loan Agreement shall be or constitute a "bond" of the Village within the meaning of Article VII, Section 12, Florida Constitution (1968). Neither the Purchaser nor any successor owner of the Series 2012 Bond shall be entitled to compel the payment of the principal of or interest on the Series 2012 Bond or the making of any payments required under the Series 2012 Bond or the Loan Agreement from any moneys of the Village other than the Pledged Revenues.

Section 4. Approval of Commitment. The Village accepts the Purchaser's Commitment.

Section 5. Authorization of Series 2012 Bond and Refunding. Subject and pursuant to the provisions hereof and in accordance with the provisions of the Loan Agreement, the issuance by the Village of its Series 2012 Bond, in an aggregate principal amount of not to exceed Six Million Four Hundred Thousand Dollars ($6,400,000) and the refunding of the Refunded Bonds, to be dated, to bear interest, to be payable, to mature, to be subject to redemption and to have such other characteristics as provided in the Series 2012 Bond, the Loan Agreement and the Commitment, and to be secured as provided in the Loan Agreement.

Section 6. Approval of Form of Loan Agreement and Series 2012 Bond. The Loan Agreement and the Series 2012 Bond, in substantially the form attached hereto as Exhibit A, are approved, and the Mayor and Clerk are authorized to execute and deliver the Loan Agreement and the Series 2012 Bond to the Purchaser, and to take such other actions as shall be necessary to consummate the Loan.

Section 7. Authorization of Other Action. The Mayor; the Clerk, the Village Administrator, the Finance Director and the Village Attorney are each designated agents of the Village in connection with the execution and delivery of the Loan Agreement and the Series 2012 Bond and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Village which are necessary or desirable in connection with the execution and delivery of the Loan Agreement and the Series 2012 Bond to the Purchaser, including, but not limited to, the making of modifications to the Loan Agreement and the Series 2012 Bond to conform the provisions thereof to the provisions of the Commitment.

Section 8. Application of Proceeds of Loan. The proceeds of the Loan shall be used to currently refund the Refunded Bonds and pay related associated costs of issuance (including but not limited to legal and financial advisory fees and expenses).

Section 9. Repeal of Inconsistent Provisions. All resolutions or parts thereof in conflict with this resolution are hereby repealed to the extent of such conflict.
PASSED AND ADOPTED, this 25th day of October, 2012.

Motion to adopt by Councilman Reckwerdt, second by Councilman Achenberg.

FINAL VOTE AT ADOPTION
Mayor Ken Philipson YES
Vice Mayor Ted Blackburn YES
Councilmember Don Achenberg YES
Councilmember Michael Reckwerdt YES
Councilmember Dave Purdo YES

KEN PHILIPSON, MAYOR

ATTEST:

KYRIE WAGNER, DEPUTY VILLAGE CLERK

APPROVED AS TO FORM AND LEGALITY FOR THE USE AND BENEFIT OF ISLAMORADA, VILLAGE OF ISLANDS ONLY:

VILLAGE ATTORNEY
Weiss, Serota, Helfman, Pastoriza, Cole & Boniske, P.L.
EXHIBIT B

FORM OF PURCHASER’S CERTIFICATE

This is to certify that SunTrust Equipment Finance & Leasing Corp., or its assignee (the "Purchaser") has not required Islamorada, Village of Islands, Florida (the "Village") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Village in connection with the issuance by the Village of its not to exceed $6,400,000 Capital Improvement Refunding Revenue Bond, Series 2012 (the "Series 2012 Bond"), and no inference should be drawn that the Purchaser, in the acceptance of said Series 2012 Bond, is relying on Bond Counsel or the Village Attorney as to any such matters other than the legal opinions rendered by Bond Counsel and by the Village Attorney. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in Resolution No. 2012-___ adopted by the Village Council of the Village on October 25, 2012 (the "Resolution").

We are aware that investment in the Series 2012 Bond involves various risks, that the Series 2012 Bond is not a general obligation of the Village or payable from ad valorem tax revenues, and that the payment of the Series 2012 Bond is secured solely from the sources described in the Resolution (the "Pledged Revenues").

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

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 2012 Bond and can bear the economic risk of our investment in the Series 2012 Bond.

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

We are not acting as a broker or other intermediary, and are purchasing the Series 2012 Bond as an investment for our own account and not with a present view towards a resale or other distribution to the public. We understand that the Series 2012 Bond may not be transferred in a denomination less than the par amount outstanding at the time of transfer.
EXHIBIT C

FORM OF DISCLOSURE LETTER

Following a competitive selection process, the undersigned, as purchaser, proposes to negotiate with the Islamorada, Village of the Islands, Florida (the "Village") for the private purchase of its not to exceed $6,400,000 Capital Improvement Refunding Revenue Bond, Series 2012 ("Series 2012 Bond"). Prior to the award of the Series 2012 Bond, the following information is hereby furnished to the Village:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Purchaser") in connection with the issuance of the Series 2012 Bond (such fees and expenses to be paid by the Village):

   $5,000
   
   Legal Fees

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Series 2012 Bond to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

   (b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Village, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Village and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 2012 Bond.

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

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

5. Truth-in-Bonding Statement:

   C-1