
BROWARD COUNTY, FLORIDA

**AMENDED AND RESTATED
WATER AND SEWER UTILITY REVENUE BOND RESOLUTION**

ADOPTED _____, 2025

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A RESOLUTION AMENDING IN CERTAIN RESPECTS AND RESTATING IN ITS ENTIRETY RESOLUTION NO. 88-4066 OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA ADOPTED ON SEPTEMBER 6, 1988, AS PREVIOUSLY AMENDED; AND PROVIDING AND EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BROWARD COUNTY, FLORIDA:

SECTION 1. AUTHORITY FOR THIS AMENDED AND RESTATED RESOLUTION. This Amended and Restated Resolution is adopted pursuant to the provisions of Chapter 125, Florida Statutes, the Broward County Charter, and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. On September 6, 1988, the Issuer duly adopted Resolution No. 88-4066, adopted on September 6, 1988 (as previously amended, the "Existing Resolution").

B. Upon the advice of the Issuer's financial advisor and bond counsel, it is necessary and desirable to further amend the Existing Resolution in certain respects and to restate the Existing Resolution, as previously amended, in its entirety.

SECTION 3. AMENDED AND RESTATED RESOLUTION. The Existing Resolution is hereby amended and restated in its entirety to read as follows:

**ARTICLE I
GENERAL**

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

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

"Act" shall mean Chapter 125, Florida Statutes, the Broward County Charter and other applicable provisions of law.

"Additional Bonds" shall mean the obligations issued at any time under the provisions of Section 6.02 hereof on a parity with the Outstanding Bonds.

"Annual Audit" shall mean the annual audit prepared pursuant to the requirements of Section 5.06 hereof.

"Annual Budget" shall mean the annual budget prepared pursuant to the requirements of Section 5.03 hereof.

"Annual Debt Service" shall mean, at any time, the aggregate amount in the then current Fiscal Year of (1) interest required to be paid on the Outstanding Bonds during such Fiscal Year, except to the extent that such interest is to be paid from deposits in the Interest Account made from Bond proceeds, (2) principal of Outstanding Serial Bonds maturing in such Fiscal Year, and (3) the Sinking Fund Installments herein designated with respect to such Fiscal Year. For purposes of this definition, (A) all amounts payable on a Capital Appreciation Bond shall be considered a principal payment due in the year it becomes due, (B) subject to the provisions of Section 5.17 hereof, with respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, interest on such Bonds during the term of such Qualified Hedge Agreement shall be deemed to be the Hedge Payments coming due during such Fiscal Year, (C) the amount, if any, on deposit in the Reserve Account (or any subaccount thereof) on any date of calculation of Annual Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds which are secured by such Reserve Account (or subaccount thereof) and in each preceding year until such amount is exhausted, and (D) with respect to Annual Debt Service on any Federal Subsidy Bonds, when determining the interest on such Bonds for any particular Interest Date the amount of the corresponding Federal Subsidy Payment shall be deducted from the amount of interest which is due and payable to the holders of such Bonds on the Interest Date, but only to the extent that the Issuer reasonably believes that it will be in receipt of such Federal Subsidy Payment on or prior to such Interest Date.

With respect to Balloon Bonds, the unamortized principal coming due on the final maturity date thereof shall be ignored and in lieu thereof there shall be added to the Annual Debt Service for each year during the period commencing with the date of issuance of the Balloon Bonds and ending on the 30th anniversary of the issuance of such Bonds (the "Reamortization Period") the amount of substantially level principal and interest payments (assuming for such purposes such interest rate as a financial advisor selected by the Issuer and having experience in the pricing of municipal bonds shall determine is a reasonable estimate of the rate that such Balloon Bonds would bear based upon such Reamortization Period and the characteristics of such Balloon Bonds) that if paid in each year during the Reamortization Period would be sufficient to pay in full the unamortized portion of such Balloon Bonds by such anniversary.

Any principal and interest payments coming due on October 1 may be deemed to come due on the preceding September 30 for purposes of this definition.

"Authorized Investments" shall mean any investments that may be made by the Issuer under applicable law and which are allowed under the Issuer's investment policy. "Authorized Investments" may be supplemented and amended by Supplemental Resolution.

"Authorized Issuer Officer" shall mean the County Administrator (or his designee), the Chief Financial Officer and when used in reference to any act or document, also means any other person authorized by resolution of the Issuer to perform such act or sign such document.

"Balloon Bonds" means Bonds of a Series designated as such by Supplemental Resolution adopted in connection with the issuance thereof, for which either (1) no serial maturities or Sinking Fund Installments prior to the maturity thereof have been established, or (2) twenty-five percent (25%) or more of the original principal amount of which matures during any one year. Balloon Bonds also include Bonds subject to purchase by the Issuer pursuant to a mandatory or optional tender by the holder.

"Bond Counsel" shall mean any nationally recognized counsel selected by the Issuer and experienced in matters relating to the validity of, and the exclusion from gross income for income tax purposes of interest on, obligations of states and their political subdivisions.

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

"Bond Insurance Policy" shall mean the municipal bond new issue insurance policy or policies issued by an Insurer guaranteeing the payment of the principal of and interest on any portion of the Bonds.

"Bonds" shall mean the Outstanding Bonds, together with any Additional Bonds issued pursuant to this Resolution and any Subordinated Indebtedness which accedes to the status of Bonds pursuant to Section 6.04 hereof. "Bonds" may include notes and other forms of indebtedness which meet the requirements of Section 6.02 hereof.

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

"Chief Financial Officer" shall mean the Chief Financial Officer and Director of Finance and Administrative Services Department, her or his written designee, or the officer or officers succeeding to her or his principal functions.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Construction Fund" shall mean the fund established pursuant to Section 4.03 hereof.

"Consulting Engineers" shall mean any engineer or engineering firm of reputation for skill and experience with respect to the construction, maintenance and/or operation of facilities similar to the System or any portion thereof, which is duly licensed under the laws of the State of Florida and designated by the Issuer to perform the duties of the Consulting Engineers under the provisions hereof.

"County Administrator" shall mean the Broward County Administrator, her or his written designee, or the officer or officers succeeding to her or his principal functions.

"Cost", when used in connection with a Project, shall mean (1) the Issuer's cost of physical construction; (2) costs of acquisition by or for the Issuer of such Project; (3) costs of land and interests therein and the cost of the Issuer incidental to such acquisition; (4) the cost of any indemnity and surety bonds and premiums for insurance during construction; (5) all interest due to be paid on the Bonds and other obligations relating to the System during the period of acquisition and construction of such Project and for such period subsequent to completion as the Issuer shall determine; (6) engineering, legal and other consultant fees and expenses; (7) costs and expenses of the issuance, including audits, fees and expenses of any Paying Agent, Registrar, escrow agent or depository; (8) amounts, if any, required by this Resolution to be paid into the Interest Account upon the issuance of any Series of Bonds; (9) payments, when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Issuer (other than the Bonds) incurred for a Project; (10) costs of machinery, equipment and supplies and reserves required by the Issuer for the commencement of operation of such Project; and (11) any other costs properly attributable to such construction or acquisition, as determined by generally accepted accounting principles applicable to public utility systems similar to the System, and shall include reimbursement to the Issuer for any such items of Cost heretofore paid by the Issuer and interest on any interfund loan related thereto. Any Supplemental Resolution may provide for additional items to be included in the aforesaid Costs.

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

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

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

"Current Expenses" or **"Operating Expenses"** shall mean the Issuer's expenses for operation, maintenance, repairs and replacements with respect to the System and shall include, without limiting the generality of the foregoing, administration expenses, payments for the purchase of materials essential to or used in the operation of the System including bulk purchases of water or sewer services, fees for the management of the System or any portion thereof, any insurance and surety bond fees, the fees to the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit (but excluding any expenses or reimbursement obligations for draws made thereunder), accounting, legal and engineering expenses, ordinary and current rentals of equipment or other property, refunds of moneys lawfully due to others, payments to others for disposal of sewer or other wastes, payments to pension, retirement, health and hospitalization funds, and any other expenses required to be paid for or with respect to proper operation or maintenance of the System, including appropriate reserves therefor, all to the extent properly attributable to the System in accordance with generally accepted accounting principles applicable to public utility systems similar to the System, and disbursements for the expenses, liabilities and compensation of any Paying Agent or Registrar under this Resolution, but does not include any extraordinary or non-recurring expenses, expenses paid from moneys in the Renewal, Replacement and Improvement Fund, or any costs or expenses in respect of original construction or improvement other than expenditures necessary to prevent an interruption or continuance of an interruption of service or of Gross Revenues or minor capital expenditures necessary for the proper and economical operation or maintenance of the System, or any provision for interest, depreciation, amortization or similar charges, or any debt issuance costs paid from proceeds of such debt, or any payments in lieu of taxes or franchise fees made to the Issuer's general fund, or any accruals required to be recognized with respect to pension, retirement, health and hospitalization funds that do not require or result in the expenditure of cash, or any loss resulting from the valuation of investment securities, Hedge Agreements at market value and any other loss that does not require or result in the expenditure of cash.

"Debt Service Reserve Fund Policy Agreement" shall mean any agreement securing the obligation of the Issuer to repay draws, expenses and accrued interest associated with a Reserve Account Letter of Credit or Reserve Account Insurance Policy.

"Federal Subsidy Payments" shall mean the direct payments due to the Issuer from the United States Treasury, or other party designated by the federal government to issue such payments, with respect to the Federal Subsidy Bonds. For all purposes of the Resolution, such payments shall not constitute Government Grants.

"Federal Securities" shall mean non-callable direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury) or non-callable obligations the principal of and interest on which are unconditionally guaranteed by the United States of America. All such obligations shall not permit redemption prior to maturity at the option of the obligor.

"Federal Subsidy Bonds" shall mean Bonds issued under Section 54AA of the Code, Section 1400U-2 of the Code or any other similar provision of the Code, the interest on which is not exempt from federal income taxation, with respect to which the Issuer elects to receive, or is otherwise entitled to receive, Federal Subsidy Payments from the United States Department of Treasury.

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

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

"Government Grant", when used with respect to the System, shall mean any sum of money heretofore or hereafter received by the Issuer from the United States of America or any agency thereof or from the State of Florida or any agency or political subdivision thereof as or on account of a grant or contribution, not repayable by the Issuer, for or with respect to (1) the construction, acquisition or other development of an addition, extension or improvement to any part of the System or any costs of any such construction, acquisition or development, or (2) the financing of any such construction, acquisition, development or costs; provided, however, Government Grants shall not include any grants or contributions received by the Issuer for the purpose of funding Current Expenses or paying Annual Debt Service on Bonds. Federal Subsidy Payments are not Government Grants for the purposes herein.

"Gross Revenues" shall mean all income and moneys received by the Issuer from the rates, fees, rentals, charges and other income to be made and collected by the Issuer for the use of the products, services and facilities to be provided by the System, or otherwise received by the Issuer or accruing to the Issuer in the management and operation of the System, calculated in accordance with generally accepted accounting principles applicable to public utility systems similar to the System, including, without limiting the generality of the foregoing, (1) Investment Earnings, and (2) moneys transferred from the Rate Stabilization Fund into the Revenue Fund to the extent in the Fiscal Year of any such

transfer such moneys do not exceed the Rate Stabilization Amount. Gross Revenues shall not include (A) Governmental Grants, (B) Water Impact Fees, (C) Sewer Impact Fees, (D) Special Assessment Proceeds, (E) Federal Subsidy Payments, (F) moneys transferred from the Utility Reserve Fund to the Rate Stabilization Fund, and (G) any gain resulting from the valuation of investment securities, Hedge Agreements at market value and any other gain that does not result in the receipt of cash.

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

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

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

"Impact Fees" shall mean all nonrefundable (except at the option of the County) capital recovery charges, pollution control fees, capacity charges and other similar fees and charges separately imposed by the County as a nonuser capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing improvements to the System and any investment earnings from the investment of funds on deposit in the Water Impact Fees Fund and the Sewer Impact Fees Fund, but excluding those charges imposed by the County on persons connecting to the System for the cost of physically connecting thereto, including but not limited to the costs of excavation, plumbing, installation of meters and landscaping.

"Initial Rating Requirement" shall mean, with regard to a Qualified Hedge Agreement, a Counterparty which at the time it enters into such Qualified Hedge Agreement is rated in the third highest rating category (without regard to gradations such as "plus" or "minus" or "1", "2", or "3") or better by two Rating Agencies.

"Insurer" shall mean such Person as shall be in the business of insuring or guaranteeing the payment of principal of and interest on municipal securities and which issues a Bond Insurance Policy securing a Series of Outstanding Bonds, and any successor thereto.

"Interest Account" shall mean the separate account in the Sinking Fund established pursuant to Section 4.04(C) hereof.

"Interest Date" or "interest payment date" shall be such date or dates as shall be provided by Supplemental Resolution of the Issuer.

"Investment Earnings" shall mean all income and earnings derived from the investment of moneys in the funds and accounts established hereunder, other than the Rebate Fund.

"Issuer" or "County" shall mean Broward County, Florida, and also includes any authority or other governmental entity to which may hereafter be transferred some or all of the powers and responsibilities of the Issuer with respect to the ownership, financing, operation, enlargement, improvement and maintenance of the System.

"Maximum Annual Debt Service" shall mean the largest aggregate amount of the Annual Debt Service becoming due in any Fiscal Year in which Bonds are Outstanding.

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

"Mayor" shall mean the Mayor or Vice-Mayor of Broward County, Florida and such other person as may be duly authorized to act on his or her behalf.

"Net Revenues" shall mean Gross Revenues less Current Expenses.

"Operation and Maintenance Fund" shall mean the fund created pursuant to Section 4.04(B) hereof.

"Outstanding", when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which other Bond or Bonds have been issued under agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for other Bond or Bonds under Sections 2.04 and 2.06 hereof, (3) Bonds deemed to have been paid pursuant to Section 9.01 hereof and (4) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity.

"Paying Agent" shall mean for each Series of Bonds, the paying agent appointed by the Issuer for such Series of Bonds and its successor or assigns, if any. The Issuer may serve as Paying Agent.

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

"Pledged Funds" shall mean, (1) the Net Revenues, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, except (A) as for the Rebate Fund, (B) to the extent moneys therein shall be required to pay the Current Expenses of the System in accordance with the terms hereof, and (C) any moneys set aside in a particular subaccount of the Reserve Account if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions hereof.

"Policy Costs" shall mean, collectively, the repayment of draws, reasonable expenses and interest related to a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit.

"Prerefunded Obligations" shall mean any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (1) which are (A) not callable prior to maturity or (B) as to which irrevocable instructions have been given to the fiduciary for such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (2) which are fully secured as to principal, redemption premium, if any, and interest by a fund held by a fiduciary consisting only of cash or Federal Securities, secured in the manner set forth in Section 9.01 hereof, which fund may be applied only to the payment of such principal of, redemption premium, if any, and interest on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as the case may be, (3) as to which the principal of and interest on the Federal Securities, which have been deposited in such fund along with any cash on deposit in such fund are sufficient, as verified by an independent certified public accountant or other expert in such matters, to pay principal of, redemption premium, if any, and interest on the bonds or other obligations on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (1) above and are not available to satisfy any other claims, including those against the fiduciary holding the same, and (4) which are rated in the highest rating category of one of the Rating Agencies.

"Principal Account" shall mean the separate account in the Sinking Fund established pursuant to Section 4.04(C) hereof.

"Project" shall mean any structure, property or facility for public use which the Issuer from time to time may determine to construct or acquire as part of the System, together with all equipment, structures and other facilities necessary or appropriate in connection therewith which are financed in whole or in part with the indebtedness secured by this Resolution. This term is to be broadly construed as including any lawful undertaking which will accrue to the benefit of the System, including, without limitation, financing improvements to the Authority's facilities, joint ventures and acquisition of partial interests or contractual rights, and including modification, disposal, replacement or cancellation of a Project previously authorized, should such modification, disposal or cancellation be permitted under this Resolution.

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

"Rate Consultant" shall mean any accountant, engineer or consultant or firm of accountants, engineers or consultants chosen by the Issuer with reputation for skill and experience in reviewing and recommending rates, fees and charges for utility systems similar to the System.

"Rate Stabilization Amount" shall mean an amount equal to 20% of Net Revenues received by the Issuer during the immediately preceding Fiscal Year.

"Rate Stabilization Fund" shall mean the "Rate Stabilization Fund" established pursuant to Section 4.04(J) hereof.

"Rating Agencies" means any nationally recognized rating agency.

"Rebate Fund" shall mean the Rebate Fund established pursuant to Section 4.04(I) hereof.

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

"Refunding Securities" shall mean Federal Securities and Prerefunded Obligations.

"Registrar" shall mean for each Series of Bonds, the registrar appointed by the Issuer for such Series of Bonds and its successor or assigns, if any. The Issuer may serve as Registrar.

"Renewal, Replacement and Improvement Fund" shall mean the fund created pursuant to Section 4.04(G) hereof.

"Renewal, Replacement and Improvement Fund Requirement" shall mean, on the date of calculation, an amount of money equal to the greater of (1) five percent (5%) of the Gross Revenues received by the Issuer in the immediately preceding Fiscal Year, or (2) such other amount as may be certified to the Issuer by the Consulting Engineers as an amount appropriate for the purposes of this Resolution.

"Reserve Account" shall mean the separate account in the Sinking Fund established pursuant to Section 4.04(C) hereof.

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

"Reserve Account Letter of Credit" shall mean a letter of credit or line of credit or other credit facility (other than a Reserve Account Insurance Policy) deposited in the Reserve Account in lieu of or in partial substitution for cash on deposit therein pursuant to Section 4.05(B)(4) hereof.

"Reserve Account Requirement" shall mean, as of any date of calculation for the Reserve Account or a subaccount therein, an amount equal to the lesser of (1) Maximum Annual Debt Service for all Outstanding Bonds secured thereby, (2) 125% of the average Annual Debt Service for all Outstanding Bonds secured thereby, or (3) the maximum amount of Bond proceeds which may be deposited to the Reserve Account without subjecting the same to yield restriction under the Code, or causing interest on any of the Bonds secured thereby (other than Taxable Bonds) to be included in gross income for purposes of federal income taxation or otherwise violating applicable provisions of the Code; provided, however, the Issuer may establish hereby or by Supplemental Resolution a different Reserve Account Requirement with respect to any particular Series of Bonds pursuant to Section 4.05(B)(4) hereof, which Reserve Account Requirement may be \$0.00. In computing the Reserve Account Requirement in respect of a Series of Bonds, other than Taxable Bonds, that constitutes Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of calculation, the highest of (i) the actual rate of interest on the date of calculation, (ii) the average interest rate borne by such Variable Rate Bonds for the 12-month period immediately preceding each date of calculation, and (iii) the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation, and (B) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of calculation, the higher of (i) the actual rate of interest on the date of calculation, and (ii) the Bond Buyer Revenue Bond Index most recently published prior to the time of calculation. The Reserve Account Requirement shall be calculated, and the investments on deposit in the Reserve Account shall be valued, as of September 30 of each year with respect to the next succeeding Fiscal Year. The Reserve Account Requirement in respect to a Series of Taxable Bonds that are Variable Rate Bonds shall be computed as provided by the Supplemental Resolution authorizing such Taxable Bonds.

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

"Revenue Fund" shall mean the fund created pursuant to Section 4.04(A) hereof.

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

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

"Sewer Impact Fees" shall mean the impact fees, if any, which relate to acquiring, constructing, equipping or expanding the capacity of the sewer facilities of the System by the Issuer for the purpose of paying or reimbursing the equitable share of the capital cost relating to such acquisition, construction, expansion or equipping of excess and unused capacity of the System or expansion thereof in order to serve new users of the sewer facilities of the System, to the extent the same are lawfully levied, collected and pledged.

"Sewer Impact Fees Fund" shall mean the fund created pursuant to Section 4.04(E) hereof.

"Sinking Fund" shall mean the fund established pursuant to Section 4.04(C) hereof.

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

"Special Assessments" means any and all assessments against property benefitted by the System or any part thereof.

"Special Assessments Proceeds" means the proceeds of Special Assessments.

"State" shall mean the State of Florida.

"Subordinated Indebtedness" shall mean that indebtedness of the Issuer, subordinate and junior to the Bonds, issued in accordance with the provisions of Section 6.01 hereof.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution enacted and becoming effective in accordance with the terms of Sections 8.01, 8.02 and 8.03 hereof.

"System" shall mean any and all water production, transmission, treatment and distribution facilities; sewer collection, transmission, treatment and disposal facilities; now

owned or hereafter owned by the Issuer, which System shall also include any and all improvements, extensions and additions thereto hereafter constructed or acquired either from the proceeds of Bonds or from any other sources, together with all property, real or personal, tangible or intangible, now or hereafter owned or used in connection therewith, including all contractual rights, rights to capacity and obligations or undertakings associated therewith. "System" shall also include any effluent reuse facilities or any other utility facilities if and to the extent the Issuer determines by Supplemental Resolution to include such utility or facilities within the System as described herein. "System" shall not include any portion of the System disposed of by the Issuer in accordance with Section 5.07 hereof.

"Taxable Bonds" means any Bond which states, in the body thereof, that the interest income thereon is includable in the gross income of the Holder thereof for Federal income taxation purposes or that such interest is subject to Federal income taxation.

"Term Bonds" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer.

"Term Bonds Redemption Account" shall mean the separate account in the Sinking Fund established pursuant to Section 4.04(C) hereof.

"Uniform Extension Policy" shall mean the Issuer's Uniform Extension Policy relating to the System, as the same may be amended from time to time.

"Utility Reserve Fund" shall mean the fund created pursuant to Section 4.04(H) hereof.

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

"Water Impact Fees" shall mean the impact, if any, which relate to acquiring, constructing, equipping or expanding the capacity of the water facilities of the System.

"Water Impact Fees Fund" shall mean the fund created pursuant to Section 4.04(D) hereof.

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

Words importing the masculine gender include every other gender.

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

SECTION 1.02. AUTHORITY FOR RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act. The Issuer has ascertained and hereby determined that adoption of this Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Issuer in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the Issuer herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the Issuer.

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

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

(A) That the Issuer has heretofore determined that it is necessary and in the best interests of the health, safety and welfare of the County and its inhabitants that the Issuer undertake the Projects from time to time.

(B) That the Issuer is without adequate, currently available funds to pay for the Costs of the Projects, and it is necessary and desirable and in the best interests of the Issuer that it borrow the moneys necessary to accomplish the financing of the Projects.

(C) That pursuant to the provisions of the Act the Issuer is authorized to undertake the acquisition and construction of the Projects, to finance the costs thereof through the issuance of the Bonds in accordance with the terms hereof.

(D) That the Pledged Funds are not pledged or encumbered in any manner except as provided herein.

(E) That the estimated Gross Revenues to be derived in each year hereafter from the operation of the System will be sufficient to pay all the Current Expenses, the principal of and interest on the Bonds to be issued pursuant to this Resolution, as the same become due, and all other payments provided for in this Resolution.

(F) That the principal of and interest on the Bonds to be issued pursuant to this Resolution, and all other payments provided for in this Resolution will be paid solely from the Pledged Funds in accordance with the terms hereof; and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution, or to make any other payments provided for in this Resolution, and the Bonds shall not constitute a lien upon the System or upon any other property whatsoever of or in the Issuer.

ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

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

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

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

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

SECTION 2.02. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual or facsimile signature of the County Administrator. In case any one or more of the officers who shall have signed or sealed any of the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time

after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

SECTION 2.03. AUTHENTICATION. No Bond of any Series shall be secured hereunder or entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.08 hereof.

SECTION 2.04. TEMPORARY BONDS. Until the definitive Bonds of any Series are prepared, the Issuer may execute, in the same manner as is provided in Section 2.02, and deliver, upon authentication by the Registrar pursuant to Section 2.03 hereof, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Issuer by subsequent resolution and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer, at his own expense, shall prepare and execute definitive Bonds, which shall be authenticated by the Registrar. Upon the surrender of such temporary Bonds for exchange, the Registrar, without charge to the Holder thereof, shall deliver in exchange therefor definitive Bonds, of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Registrar.

SECTION 2.05. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered shall be cancelled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.05 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

SECTION 2.06. INTERCHANGEABILITY, NEGOTIABILITY AND TRANSFER. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same Series and maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

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

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an interest payment date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered

Bond shall effect payment of interest on such Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

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

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

SECTION 2.07. COUPON BONDS. The Issuer, at its discretion, may by Supplemental Resolution authorize the issuance of coupon Bonds, registrable as to principal only or as to both principal and interest. Such Supplemental Resolution shall provide for the negotiability, transfer, interchangeability, denominations and form of such Bonds and coupons appertaining thereto.

SECTION 2.08. FORM OF BONDS. The text of the Bonds, except as otherwise provided pursuant to Section 2.07 hereof and except for Capital Appreciation Bonds and Variable Rate Bonds, the form of which shall be provided by Supplemental Resolution of the Issuer, shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor or the County Administrator prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by such officer's execution of the Bonds and the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

No. R-

\$ _____

**UNITED STATES OF AMERICA
STATE OF FLORIDA
BROWARD COUNTY, FLORIDA
WATER AND SEWER UTILITY REVENUE [REFUNDING] BOND,
SERIES**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
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Registered Holder:

Principal Amount:

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

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

of such Registered Holder. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

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

This Bond and the interest hereon are payable solely from and secured by a lien upon and a pledge of (1) the Net Revenues (as defined in the Resolution) to be derived from the operation of the Issuer's utility system (the "System"), and (2) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established by the Resolution, except (A) as for the Rebate Fund, (B) to the extent moneys therein shall be required to pay the Current Expenses (as defined in the Resolution) and (C) any moneys set aside in the particular subaccount of the Reserve Account established by the Resolution if such moneys shall be pledged solely for the payment of a different Series of Bonds for which it was established in accordance with the provisions of the Resolution, subject in each case to the application thereof for the purposes and on the conditions permitted by the Resolution (collectively, the "Pledged Funds"). It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced hereby shall not constitute a lien upon the System or any other property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Funds in accordance with the terms of the Resolution.

This Bond is transferable in accordance with the terms of the Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Registered Holder or his attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount and interest rate shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denomination of \$5,000 and any integral multiple thereof, not exceeding the aggregate principal amount of the Bonds. The

Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer shall not be obligated to make any exchange or transfer of the Bonds during the fifteen (15) days next preceding an interest payment date or, in the case of any proposed redemption of the Bonds, then, for the Bonds subject to such redemption, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and continuing through such redemption date.

(INSERT REDEMPTION PROVISIONS)

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

[As long as the book-entry only system is used for determining beneficial ownership of the Bonds, notice of redemption will only be sent to Cede & Co. Cede & Co. will be responsible for notifying the DTC Participants, who will in turn be responsible for notifying the beneficial owners of the Bonds. Any failure of Cede & Co. to notify any DTC Participant, or of any DTC Participant to notify the beneficial owner of any such notice, will not affect the validity of the redemption of the Bonds.]

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

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

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

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

[This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Seventeenth Judicial Circuit of Florida in and for Broward County, Florida, rendered on _____, _____.]

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

IN WITNESS WHEREOF, the Board of County Commissioners of Broward County has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Mayor, and by the manual or facsimile signature of the County Administrator of Broward County, Florida, and its corporate seal or a facsimile thereof to be affixed or reproduced hereon, all of the _____ day of _____, ____.

BROWARD COUNTY, FLORIDA

(SEAL)

Mayor of Broward County, Florida

County Administrator of Broward County,
Florida

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by the authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

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

Insert Social Security or Other Identifying Number of Assignee

(Name and Address of Assignee)

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

Dated: _____

Signature guaranteed:

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entirety

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

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfers to Minors Act of _____
(State)

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

CERTIFICATE OF AUTHENTICATION

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

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Officer

ARTICLE III REDEMPTION OF BONDS

SECTION 3.01. PRIVILEGE OF REDEMPTION. The terms of this Article III shall apply to redemption of Bonds other than Capital Appreciation Bonds or Variable Rate Bonds. The terms and provisions relating to redemption of Capital Appreciation Bonds and Variable Rate Bonds shall be provided by Supplemental Resolution. The provisions of this Article III may also be modified pursuant to Supplemental Resolution.

SECTION 3.02. SELECTION OF BONDS TO BE REDEEMED. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed and, if less than all of the Outstanding Bonds are to be redeemed, the particular maturities and portions thereof to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than 45 days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof. Notwithstanding the foregoing, if less than all of a Term Bond is to be redeemed the aggregate principal amount to be redeemed shall be allocated to the Sinking Fund Installments on a pro-rata basis unless the Issuer, in its discretion, designates a different allocation.

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

SECTION 3.03. NOTICE OF REDEMPTION. Notice of such redemption, which shall specify the Bond or Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the Issuer, and (A) shall be filed with the Paying Agents of such Bonds, and (B) shall be mailed first class, postage prepaid, not less than 30 days nor more than 45 days prior to the redemption date to all Holders of Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail such notice to the Holders of the Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Bonds as to which no such failure or defect has occurred. Such notice shall also be mailed to the Insurer or Credit Bank, if any, of such redeemed Bonds. Failure of any Holder to receive any notice mailed as herein provided shall not

affect the proceedings for redemption of such Holder's Bonds. Notice of optional redemption of Bonds shall only be sent if the Issuer reasonably determines it shall have sufficient funds available to pay the Redemption Price of and interest on the Bonds called for redemption on the redemption date.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Bonds being redeemed, (2) the original issue date of such Bonds, (3) the maturity date and rate of interest borne by each Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the Issuer for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

In addition to the mailing of the notice described above, each notice of redemption and payment of the Redemption Price shall be sent to such other Person, if any, as shall be required by applicable law or regulation; provided, however, the failure to provide such further notice of redemption or to comply with the terms of this paragraph shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

The Issuer may provide that a redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice of redemption will be rescinded, and the Bonds called for redemption shall remain Outstanding, provided notice of rescission shall be mailed in the manner described above to all affected Bondholders as soon as practicable.

SECTION 3.04. REDEMPTION OF PORTIONS OF BONDS. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to the Registrar duly executed and guaranteed by the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond

or Bonds, of any authorized denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

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

SECTION 3.06. PURCHASE IN LIEU OF OPTIONAL REDEMPTION. Notwithstanding anything in this Resolution to the contrary, at any time the Bonds are subject to optional redemption pursuant to this Resolution, all or a portion of the Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the Issuer, on the date which would be the redemption date if such Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the redemption price which would have been applicable to such Bonds on the redemption date for the account of and at the direction of the Issuer who shall give the Paying Agent, as trustee, notice at least ten days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Bonds or any other Outstanding Bonds. In the event the Paying Agent, as trustee, is so directed to purchase Bonds in lieu of optional redemption, no notice to the holders of the Bonds to be so purchased (other than the notice of redemption otherwise required under this Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Bonds if such Bonds had been redeemed rather than purchased. Each Bond so purchased shall not be canceled or discharged and shall be registered in the name of the Issuer. Bonds to be purchased under this Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

ARTICLE IV SECURITY, SPECIAL FUNDS AND APPLICATION THEREOF

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

SECTION 4.02. SECURITY FOR BONDS. The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds; provided, however, a Series of Bonds may be further secured by a Credit Facility or Bond Insurance Policy in addition to the security provided herein; and provided further that a Series of Bonds may be secured independently of any other Series of Bonds by the establishment of a separate subaccount in the Reserve Account for such Series of Bonds or by not being secured in any manner by the Reserve Account as provided herein or in a Supplemental Resolution. Issuers of a Reserve Account Insurance Policy and Reserve Account Letter of Credit shall be secured in accordance with the provisions hereof. In addition, the Issuer does hereby irrevocably pledge and grant a lien upon the Pledged Funds to the payment of the Policy Costs in accordance with the provisions hereof; provided, however, such pledge and lien shall be junior and subordinate in all respects to the pledge of and lien upon such Pledged Funds granted hereby to the Bondholders. The Issuer does hereby irrevocably pledge the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds in accordance with the provisions hereof. Except as otherwise provided by Supplemental Resolution, the obligation of the Issuer to make Hedge Payments to a Counterparty pursuant to a Qualified Hedge Agreement shall be on parity with the Bonds as to lien on and pledge of the Pledged Funds in accordance with the terms hereof (any other payments related to a Qualified Hedge Agreement, including fees, penalties and termination payments and the obligation to collateralize, shall be Subordinated Indebtedness of the Issuer).

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

SECTION 4.03. CONSTRUCTION FUND. The Issuer covenants and agrees to establish a special fund to be known as the "Broward County, Florida Water and Sewer Utility Construction Fund," which shall be used only for payment of the Costs of Projects. Moneys in the Construction Fund, until applied in payment of any item of the Cost of a Project in the manner hereinafter provided, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders.

There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of this Resolution or any Supplemental Resolution, and there may be paid into the Construction Fund, at the option of the Issuer, any moneys received for or in connection with a Project by the Issuer from any other source. The Issuer shall establish within the Construction Fund a separate account for each Project, the Cost of which is to be paid in whole or in part out of the Construction Fund.

The proceeds of insurance maintained pursuant to this Resolution against physical loss of or damage to a Project, or of contractors' performance bonds with respect thereto pertaining to the period of construction thereof, shall be deposited into the appropriate account of the Construction Fund.

Any moneys received by the Issuer from the State or from the United States of America or any agencies thereof for the purpose of financing part of the Cost of a Project shall be deposited into the appropriate account of the Construction Fund and used in the same manner as other Bond proceeds are used therein; provided that separate accounts or subaccounts may be established in the Construction Fund for moneys received pursuant to the provisions of this paragraph whenever required by Federal or State law.

The Issuer covenants that the acquisition, construction and installation of each Project will be completed without delay and in accordance with sound engineering practices. The Issuer shall make disbursements or payments from the applicable account of the Construction Fund to pay Costs of the Project for which it was established, except as otherwise provided below. The Issuer shall keep records of such disbursements and payments and shall retain all the records for such period of time as required by applicable law. The Issuer shall make available such records at all reasonable times for inspection by any Holder of any of the Bonds or the agent or representative of any Holder of any of the Bonds.

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

The date of completion of the acquisition, construction and equipping of a Project shall be documented by an Authorized Issuer Officer in the appropriate records of the Issuer. Promptly after the date of the completion of a Project, and after paying or making provision for the payment of all unpaid items of the Costs of such Project, the Issuer shall

deposit in the following order of priority any balance of moneys remaining in an account in the Construction Fund in (A) another account of the Construction Fund for which the Board has determined that there are insufficient moneys present to pay the Costs of the related Project, (B) the Reserve Account (or any subaccount therein), to the extent of a deficiency therein, and (C) such other fund or account established hereunder as shall be determined by the Issuer or for any other lawful purpose, provided the Issuer has received the prior approval of Bond Counsel to the effect that such deposit shall not adversely affect the exclusion, if any, of interest on the Bonds (other than Taxable Bonds) from gross income for purposes of Federal income taxation or shall not otherwise affect the status of any Outstanding Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to any Outstanding Federal Subsidy Bonds.

SECTION 4.04. CREATION OF FUNDS AND ACCOUNTS. The following funds and accounts are hereby created hereunder:

- (A) The "Broward County, Florida Water and Sewer Utility Revenue Fund."
- (B) The "Broward County, Florida Water and Sewer Utility Operation and Maintenance Fund".
- (C) The "Broward County, Florida Water and Sewer Utility Sinking Fund." The Issuer shall maintain four separate accounts in the Sinking Fund: the "Interest Account," the "Principal Account," the "Term Bonds Redemption Account" and the "Reserve Account."
- (D) The "Broward County, Florida Water and Sewer Utility Water Impact Fees Fund."
- (E) The "Broward County, Florida Water and Sewer Utility Sewer Impact Fees Fund."
- (F) The "Broward County, Florida Water and Sewer Utility Renewal, Replacement and Improvement Fund."
- (G) The "Broward County, Florida Water and Sewer Utility Reserve Fund."
- (H) The "Broward County, Florida Water and Sewer Utility Rebate Fund."
- (I) The "Broward County, Florida Water and Sewer Utility Rate Stabilization Fund."

Moneys in the aforementioned funds and accounts (except for moneys in the Rebate Fund), until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Holders to the extent provided herein.

The Issuer shall at any time and from time to time appoint one or more depositories to hold, for the benefit of the Bondholders, any one or more of the funds and accounts established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from each of such funds or accounts as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Issuer and its agents and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and be qualified under applicable State law.

Notwithstanding the foregoing, none of the aforementioned funds and accounts is required to be established prior to the time any such fund or account is required to be funded or otherwise utilized hereunder.

SECTION 4.05. DISPOSITION OF GOVERNMENT GRANTS AND REVENUES.

(A) (1) In the event the Issuer receives a Government Grant, the use and withdrawal of moneys from such Government Grant shall be governed by the terms of the Government Grant and applicable law.

(2) Into the Revenue Fund, the Issuer shall deposit promptly, as received, all Gross Revenues.

Operation and Maintenance Fund. Moneys in Revenue Fund shall first be used each month to deposit in the Operation and Maintenance Fund such sums as are necessary to pay Current Expenses for the ensuing month; provided the Issuer may transfer moneys from the Revenue Fund to the Operation and Maintenance Fund at any time to pay Current Expenses to the extent there is a deficiency in the Operation and Maintenance Fund for such purpose. Amounts in the Operation and Maintenance Fund shall be paid out from time to time by the Issuer for Current Expenses, including any expenses relating to the purchase or redemption of Term Bonds as provided in Section 4.05(B)(3) hereof.

The remaining moneys in the Revenue Fund shall be applied in accordance with Section 4.05(B) hereof.

(B) Any deposits remaining in the Revenue Fund after the aforementioned transfers to the Operation and Maintenance Fund shall be disposed of by the Issuer on or before the twenty-fifth (25th) day of each month, commencing in the month immediately following the delivery of any of the Bonds to the purchasers thereof, or such later date as hereinafter provided, in the following manner and in the following order of priority:

(1) Interest Account. The Issuer shall deposit or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Bonds Outstanding (except as to Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. All Hedge Receipts and Federal Subsidy Payments shall be deposited directly to the Interest Account upon receipt. With respect to Bonds which have corresponding to a Hedge Payments, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall also be applied by the Issuer (a) for deposit with the Paying Agents to pay the interest on the Bonds on or prior to the date the same shall become due and (b) for Hedge Payments. Any Federal Subsidy Payments deposited to the Interest Account shall be deemed to have been applied to the payment of interest on the Federal Subsidy Bonds to which such Payments relate. The Issuer shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to the Qualified Hedge Agreement, any Hedge Payments due to the Counterparty to such Qualified Hedge Agreement relating to such Bonds shall be paid to such Counterparty on a parity basis with the aforesaid required payments into the Sinking Fund. Except as otherwise provided by Supplemental Resolution authorizing the issuance of Variable Rate Bonds, in computing the interest on such Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest average interest rate borne by such Variable Rate Bonds for any 30-day period, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(2) Principal Account. Commencing no later than the month which is one year prior to the first principal due date or such lesser or greater period as determined by Supplemental Resolution, the Issuer shall next deposit into the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts on all Bonds Outstanding due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding principal payment due date, or, if there be no such preceding payment due date from a date one year preceding the

due date of such principal amount or such lesser or greater period as determined by Supplemental Resolution. Moneys in the Principal Account shall be applied by the Issuer for deposit with the Paying Agents to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature and monthly payments into the Principal Account on account of such Bonds shall commence in the month of the respective Bond Years in which such Bonds mature. The Issuer shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) Term Bonds Redemption Account. Commencing in the month which is one year prior to the first Sinking Fund Installment due date or such lesser or greater period as determined by Supplemental Resolution, there shall be deposited to the Term Bonds Redemption Account the sum which, together with the balance in such Account, shall equal the Sinking Fund Installments on all Bonds Outstanding due and unpaid and that portion of the Sinking Fund Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Sinking Fund Installments were deemed to accrue monthly (assuming that a year consists of twelve (12) equivalent calendar months having thirty (30) days each) in equal amounts from the next preceding Sinking Fund Installment due date, or, if there is no such preceding Sinking Fund Installment due date, from a date one year preceding the due date of such Sinking Fund Installment or such lesser or greater period as determined by Supplemental Resolution. Moneys in the Term Bonds Redemption Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. Term Capital Appreciation Bonds shall be payable from the Term Bonds Redemption Account in the years in which such Bonds mature and monthly payments into the Terms Bonds Redemption Account on account of such Bonds shall commence in the twelfth month immediately preceding the due date of the related Sinking Fund Installments. The Issuer shall adjust the amount of the deposit to the Term Bonds Redemption Account on the month immediately preceding any Sinking Fund Installment Date so as to provide sufficient moneys in the Term Bonds Redemption Account to pay the Sinking Fund Installments becoming due on such date. Payments to the Term Bonds Redemption Account shall be on parity with payments to the Principal Account. No further deposit need be made to the Term Bonds Redemption Account when the moneys therein are equal to the Sinking Fund Installments coming due on the Outstanding Bonds on the next succeeding Sinking Fund Installment due date.

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

(4) Reserve Account. There shall be deposited to the Reserve Account an amount which would enable the Issuer to restore the funds on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether such shortfall was caused by an increase in the applicable Reserve Account Requirement, a decrease in the aggregate market value of the investments therein of more than 5% or withdrawal (whether from cash or a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the Issuer to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Term Bonds Redemption Account shall be insufficient for such

purpose, but only to the extent the moneys transferred from the Utility Reserve Fund for such purposes pursuant to Section 4.05(B)(8) hereof shall be inadequate to fully provide for such insufficiency. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account of a Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the Issuer into the Utility Reserve Fund and applied as directed by Bond Counsel. The Issuer shall promptly inform each Insurer and Credit Bank of any draw upon the Reserve Account for purposes of paying the principal of or Redemption Price, if applicable, and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as herein provided, the Issuer shall fund the Reserve Account in an amount at least equal to the applicable Reserve Account Requirement to the extent such Series of Bonds are to be secured by the Reserve Account or any subaccount therein; provided, however, nothing herein shall be construed to require the Issuer to fund the Reserve Account or any subaccount for any Series of Bonds. Upon the adoption of the Supplemental Resolution authorizing the issuance of a Series of Bonds, the Issuer shall determine whether such Series of Bonds shall be secured by the Reserve Account or any subaccount therein and, if the Issuer determines that the Series of Bonds will be secured by a separate subaccount therein, the Issuer shall also establish the Reserve Account Requirement applicable thereto. Such required amount, if any, shall be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account or subaccount therein over a period of months from the date of issuance of such Series of Bonds, which shall not exceed 36 months.

Notwithstanding the foregoing provisions, in lieu of or in substitution of any required deposits into the Reserve Account or any subaccount therein, the Issuer may cause to be deposited into the Reserve Account or subaccount a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account or subaccount, if any. The Issuer may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account or a subaccount therein upon compliance with the terms of this Section 4.05(B)(4). Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date, principal payment date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to this Resolution and available for such purpose. Upon the initial deposit of any such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, the provider thereof shall be either (a) an

insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by at least one of the Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"), or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating in one of the two highest rating categories by at least one of the Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"). Any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall equally secure all Bonds secured by the Reserve Account or subaccount into which such Policy or Letter of Credit is deposited.

Each Reserve Account Insurance Policy and Reserve Account Letter of Credit shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. Where applicable, the amount available for draws or claims under a Reserve Account Insurance Policy or Reserve Account Letter of Credit may be reduced by the amount of cash or investments deposited in the Reserve Account or subaccount pursuant to the provisions hereof.

If three days prior to an Interest Date or principal payment date, or such other period of time as shall be required by the terms of the Reserve Account Insurance Policy or Reserve Account Letter of Credit, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on the Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Account Insurance Policy and/or the issuer of the Reserve Account Letter of Credit and submit a demand for payment pursuant to the provisions of such Reserve Account Insurance Policy and/or the Reserve Account Letter of Credit, (b) the Paying Agent, and (c) the Insurer or Credit Bank, if any, of the amount of such deficiency and the date on which such payment is due.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy by executing and delivering to such issuer a promissory note or other evidence therefor; provided, however, any such note or evidence (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from the Pledged Funds in the manner provided herein. The obligation to reimburse the provider of a Reserve Account Insurance Policy or Reserve Account Letter of Credit for any Policy Costs shall be subordinate to the payment of Debt Service on the Bonds.

The term "Paying Agent" as used in this Section 4.05(B)(4) may include one or more Paying Agents for the Outstanding Bonds.

Whenever the amount of cash in the Reserve Account, together with the other amounts in the Sinking Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred to the other Accounts of the Sinking Fund for the payment of the Bonds.

The Issuer may also establish a separate subaccount in the Reserve Account for any Series of Bonds and such subaccount shall be pledged to the payment of such Series of Bonds apart from the pledge provided herein. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount of the Reserve Account at such level as the Issuer deems appropriate. In the event the Issuer by Supplemental Resolution establishes the Reserve Account Requirement for a particular Series of Bonds to be zero (\$0.00) or it shall determine that such Series are not to be secured in any manner by the Reserve Account or a subaccount, then it shall not be required to establish a separate subaccount; provided, however, such Series of Bonds shall have no lien on or pledge of any moneys on deposit in the Reserve Account. Moneys used to replenish the Reserve Account shall be deposited in the separate subaccounts in the Reserve Account and in the Reserve Account on a pro-rata basis.

In the event the Issuer shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in the Reserve Account or any subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance Policy or Reserve Account Letter of Credit. The provisions of the Debt Service Reserve Fund Policy Agreements, when executed and delivered, shall be incorporated herein by reference. The provisions of such Agreements shall supersede the provisions hereof to the extent of any conflict herewith.

(5) Renewal, Replacement and Improvement Fund. There shall be deposited to the Renewal, Replacement and Improvement Fund monthly such sums as shall be sufficient to pay one-twelfth (1/12) of five percent (5%) of the Gross Revenues derived from the System during the preceding Fiscal Year until the amount accumulated in such Fund is equal to the Renewal, Replacement and Improvement Fund Requirement, taking into account the market value of investments in such Fund; provided, however, that (a) such Renewal, Replacement and Improvement Fund Requirement may be increased or decreased as the Consulting Engineers shall certify to the Issuer is necessary for the purposes of the

Renewal, Replacement and Improvement Fund, and (b) in the event that the Consulting Engineers shall certify that the Renewal, Replacement and Improvement Fund Requirement is excessive for the purposes of the Renewal, Replacement and Improvement Fund such excess amount as may be on deposit therein may be transferred by the Issuer from the Renewal, Replacement and Improvement Fund for deposit into the Utility Reserve Fund. The moneys in the Renewal, Replacement and Improvement Fund shall be applied by the Issuer for the purpose of paying the cost of major extensions, improvements or additions to, or the replacement or renewal of capital assets of, the System, or extraordinary repairs of the System; provided, however, that on or prior to each principal and interest payment date for the Bonds (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date), moneys in the Renewal, Replacement and Improvement Fund shall be applied for the payment into the Interest Account, the Principal Account, and the Term Bonds Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Utility Reserve Fund for such purpose pursuant to Sections 4.05(B)(8) hereof, together with moneys available in the Reserve Account for such purpose pursuant to Section 4.05(B)(4) hereof, shall be inadequate to fully provide for such insufficiency. Moneys in the Renewal, Replacement and Improvement Fund may also be transferred to the Operation and Maintenance Fund to fund Current Expenses to the extent Gross Revenues shall be insufficient for such purpose; provided, however, such transfer shall be treated as an interfund loan and shall be repaid from Gross Revenues as described in this Section 4.05(B)(5) within one year from the date of such transfer.

(6) Subordinated Indebtedness. Gross Revenues shall next be applied by the Issuer for the payment of any accrued debt service on Subordinated Indebtedness incurred by the Issuer in connection with the System and in accordance with the proceedings authorizing such Subordinated Indebtedness.

(7) Sinking Fund. There shall be deposited to the Interest Account, the Principal Account and the Term Bonds Redemption Account, in that order, sufficient moneys such that the amounts on deposit therein shall equal, respectively, the interest, principal and Sinking Fund Installment next coming due on the Bonds Outstanding; provided, however, no deposit need be made to the Principal Account or Term Bonds Redemption Account until a date one year preceding the due date of such principal amount or Sinking Fund Installment.

(8) Utility Reserve Fund. The balance of any Gross Revenues remaining in said Revenue Fund shall be deposited in the Utility Reserve Fund and applied to the payment, on or prior to each principal and interest payment date for the Bonds (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date), into the Interest Account, the Principal Account and the Term

Bonds Redemption Account when the moneys therein shall be insufficient to pay the principal of and interest on the Bonds coming due. Moneys not required to meet such a deficiency shall be deposited to the Reserve Account to make up any deficiency therein. Thereafter, moneys in the Utility Reserve Fund may be applied for any purposes related to the System, including, but not limited to, purchase or redemption of Bonds, payment of Subordinated Indebtedness, deposit to the Rate Stabilization Fund and improvements, renewals and replacements to the System; provided, however, that none of such revenues shall ever be used for the purposes provided in this Section 4.05(B)(8) unless all payments required in Sections 4.05(B)(1) through 4.05(B)(6) hereof, including any deficiencies for prior payments, have been made in full to the date of such use.

(C) Whenever moneys on deposit in the Sinking Fund are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), no further deposits to the Sinking Fund need be made. If on any payment date the Gross Revenues are insufficient to deposit the required amount in any of the funds or accounts or for any of the purposes provided above, the deficiency shall be made up on the subsequent payment dates.

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

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

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Sinking Fund may be applied as provided in the applicable Supplemental Resolution to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of, premium, if any, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the holders thereof for payment; provided such Credit Facility shall have no priority over Bondholders or an Insurer to amounts on deposit in the Sinking Fund. Other payments due to a Credit Bank in relation to obligations arising under its Credit Facility may be on parity with the Bonds as to source of and security for payment to the extent provided in the Supplemental Resolution relating thereto.

SECTION 4.06. WATER IMPACT FEES FUND. The Issuer shall deposit into the Water Impact Fees Fund all Water Impact Fees as received and such Water Impact Fees shall be accumulated in the Water Impact Fees Fund and applied by the Issuer for any lawful purpose related to the water facilities of the System.

SECTION 4.07. SEWER IMPACT FEES FUND. The Issuer shall deposit into the Sewer Impact Fees Fund all Sewer Impact Fees as received and such Sewer Impact Fees Fund shall be accumulated in the Sewer Impact Fees Fund and applied by the Issuer for any lawful purpose related to the sewer facilities of the System.

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

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

(B) depositing the amount determined in clause (A) above into the Rebate Fund;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the Rebate Fund and any other legally available moneys of the Issuer such amounts as shall be required by the Code to be rebated to the United States Treasury; and

(D) keeping such records of the determinations made pursuant to this Section 4.08 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Bonds.

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

SECTION 4.09. RATE STABILIZATION FUND. The Issuer may transfer into the Rate Stabilization Fund such moneys which are on deposit in the Utility Reserve Fund as it deems appropriate. The Issuer may transfer such amount of moneys from the Rate Stabilization Fund to the Revenue Fund as it deems appropriate; provided, however, that on or prior to each principal and interest payment date for the Bonds (in no event earlier than the twenty-fifth (25th) day of the month next preceding such payment date), moneys in the Rate Stabilization Fund shall be applied for the payment into the Interest Account, the Principal Account and the Term Bonds Redemption Account when the moneys therein

are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Utility Reserve Fund and Renewal, Replacement and Improvement Fund for such purposes pursuant to Sections 4.05(B)(8) and 4.05(B)(5) hereof, together with moneys available in the Reserve Account for such purpose pursuant to Section 4.05(B)(4) hereof, shall be inadequate to fully provide for such insufficiency.

SECTION 4.10. INVESTMENTS. Moneys on deposit in the Construction Fund, the Sinking Fund, the Water Impact Fees Fund, the Sewer Impact Fees Fund, the Operation and Maintenance Fund, the Utility Reserve Fund, the Rate Stabilization Fund and the Renewal, Replacement and Improvement Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Construction Fund, the Revenue Fund, the Operation and Maintenance Fund, the Principal Account, the Interest Account, the Term Bonds Redemption Account, the Reserve Account, the Renewal, Replacement and Improvement Fund, the Water Impact Fees Fund, the Sewer Impact Fees Fund, the Rate Stabilization Fund and the Utility Reserve Fund shall be invested and reinvested by the Issuer in Authorized Investments, maturing not later than the dates on which such moneys will be needed for the purposes of such fund or account. Notwithstanding any other provision hereof, all amounts on deposit in the Construction Fund or Interest Account representing accrued and capitalized interest shall be held by the Issuer, shall be pledged solely to the payment of interest on the corresponding Series of Bonds and, unless otherwise provided by Supplemental Resolution, shall be invested only in Federal Securities maturing in such times and in such amounts as are necessary to pay the interest to which they are pledged. All investments shall be valued at cost.

Any and all income received from the investment of moneys in each separate account of the Construction Fund, the Interest Account, the Principal Account, the Term Bonds Redemption Account, the Utility Reserve Fund, the Renewal, Replacement and Improvement Fund (to the extent such income and other amounts in such Fund do not exceed the Renewal, Replacement and Improvement Fund Requirement), the Water Impact Fees Fund, the Sewer Impact Fees Fund, the Utility Reserve Fund, the Rate Stabilization Fund and the Reserve Account (to the extent such income and the other amounts in the Reserve Account does not exceed the Reserve Account Requirement), shall be retained in such respective Fund or Account.

Any and all income received from the investment of moneys in the Renewal, Replacement and Improvement Fund (only to the extent such income and the other amounts in such Fund exceed the Renewal, Replacement and Improvement Fund Requirement) and the Reserve Account (only to the extent such income and the other amounts in the Reserve Account exceeds the Reserve Account Requirement), shall be deposited upon receipt thereof in the Revenue Fund.

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

SECTION 4.11. SEPARATE ACCOUNTS. The moneys required to be accounted for in each of the foregoing funds, accounts and subaccounts established herein may be deposited in a single bank account, and funds allocated to the various funds, accounts and subaccounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds, accounts and subaccounts as herein provided.

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

ARTICLE V COVENANTS

SECTION 5.01. GENERAL. The Issuer hereby makes the following covenants, in addition to all other covenants in this Resolution, with each and every successive Holder of any of the Bonds so long as any of said Bonds remain Outstanding.

SECTION 5.02. OPERATION AND MAINTENANCE. The Issuer will maintain or cause to be maintained the System and all portions thereof in good condition and will operate or cause to be operated the same in an efficient and economical manner, making or causing to be made such expenditures for equipment and for renewals, repairs and replacements as may be proper for the economical operation and maintenance thereof. The Issuer may contract with a responsible Person which has experience in the operation of utility systems similar to the System for the operation and maintenance of the System; provided, however, prior to entering any operating agreement with respect to any substantial part of the System the Issuer shall consult with Bond Counsel.

SECTION 5.03. ANNUAL BUDGET. The Issuer shall annually prepare and adopt, prior to the beginning of each Fiscal Year, an Annual Budget in accordance with applicable law. If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, other than the first Fiscal Year, the preliminary budget for such year, if it be approved by the Consulting Engineers or Rate Consultant, or otherwise the Annual Budget for the preceding Fiscal Year, shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted.

The Issuer shall make available such Annual Budgets and amended Annual Budgets and all resolutions authorizing increased expenditures for Current Expenses to any Credit Bank or Insurer of Bonds. The Issuer shall make available all such Annual Budgets and resolutions and ordinances authorizing increased expenditures for Current Expenses of the System at all reasonable times to any Holder or Holders of Bonds or to anyone acting for and on behalf of such Holder or Holders.

SECTION 5.04 RATES. The Issuer shall fix, establish and maintain such rates, fees, charges and collect such fees, rates or other charges for the product, services and facilities of its System, and revise the same from time to time, whenever necessary, as will always provide in each Fiscal Year Net Revenues adequate at all times to pay in each Fiscal Year (A) at least one hundred twenty percent (120%) of the Annual Debt Service on all Outstanding Bonds becoming due in such Fiscal Year, and (B) at least one hundred percent (100%) of any amounts required by the terms hereof to be deposited in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year. Such rates, fees or other charges shall not be so reduced so as to be insufficient to provide adequate Net Revenues for the purposes

provided therefor by this Resolution and to satisfy the rate covenant set forth in this Section 5.04.

If, in any Fiscal Year, the Issuer shall fail to comply with the requirements contained in this Section 5.04, it shall cause the Rate Consultant to review its rates, fees, charges, income, Gross Revenues, Current Expenses and methods of operation and to make written recommendations as to the methods by which the Issuer may promptly seek to comply with the requirements set forth in this Section 5.04. The Issuer shall forthwith commence to implement such recommendations to the extent required so as to cause it to thereafter comply with said requirements. So long as the Issuer implements such recommendations in a timely manner so that the Issuer shall be in compliance with this Section 5.04 as of the end of the immediately succeeding Fiscal Year, the Issuer's failure to comply with this Section 5.04 shall not be considered an Event of Default under Section 7.01 hereof.

SECTION 5.05. BOOKS AND RECORDS. The Issuer shall keep books, records and accounts of the revenues and operations of the System, which shall be kept separate and apart from all other books, records and accounts of the Issuer, and the Holders of any Bonds Outstanding or the duly authorized representatives thereof shall have the right at all reasonable times to inspect all books, records and accounts of the Issuer relating thereto.

SECTION 5.06. ANNUAL AUDIT. The Issuer shall, immediately after the close of each Fiscal Year, cause the books, records and accounts relating to the System to be properly audited by a recognized independent firm of certified public accountants, and shall require such accountants to complete their report of such Annual Audit in accordance with applicable law. Each Annual Audit shall be in conformity with generally accepted accounting principles as applied to governmental entities. A copy of each Annual Audit shall regularly be furnished or made available to any Credit Bank or Insurer who shall have furnished his address to the County Administrator and requested in writing that the same be furnished to him.

SECTION 5.07. NO MORTGAGE OR SALE OF THE SYSTEM. The Issuer irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of the System as a whole or any substantial part thereof (except as provided below) until all of the Bonds and all interest thereon shall have been paid in full or provision for payment has been made in accordance with Section 9.01 hereof.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System in the following manner, if any one of the following conditions exist: (A) such property is not necessary for the operation of the System, (B) such property is not useful in the operation of the System, (C) such property is not profitable in the operation of the System, or (D) in the case of a lease of such property, such lease will be advantageous to the System and will not materially adversely affect the security for the Bondholders.

Prior to any such sale, lease or other disposition of said property: (1) if the amount to be received therefor is not in excess of five percent (5%) of the capital assets of the System, less accumulated depreciation, as reported in the Issuer's most recent Annual Comprehensive Financial Report ("ACFR"), (a) an Authorized Issuer Officer shall make a finding in writing determining that one or more of the conditions for sale, lease or disposition of property provided for in the second paragraph of this Section 5.07 have been met, and (b) if any of the property to be sold, leased or otherwise disposed of was financed in whole or in part with proceeds of Bonds (other than Taxable Bonds) that remain Outstanding then the Issuer shall obtain an opinion of Bond Counsel to the effect that such sale, lease or other disposition will not adversely affect the federal tax exempt status of interest on such Bonds or shall not otherwise affect the status of any such Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to said Outstanding Federal Subsidy Bonds; or (2) if the amount to be received from such sale, lease or other disposition of said property shall be in excess of five percent (5%) of the capital assets of the System, less accumulated depreciation, as reported in the Issuer's most recent ACFR, (a) an Authorized Issuer Officer and the Consulting Engineers shall each first make a finding in writing determining that one or more of the conditions for sale, lease or other disposition of property provided for in the second paragraph of this Section 5.07 have been met, (b) the Board shall, by resolution, duly adopt, approve and concur in the findings of the Authorized Issuer Officer and the Consulting Engineers, and (c) the Issuer shall obtain an opinion of Bond Counsel to the effect that such sale, lease or other disposition is not in violation of the Act and will not adversely affect the federal tax exempt status of interest on the Bonds (other than Taxable Bonds) or shall not otherwise affect the status of any Outstanding Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to any Outstanding Federal Subsidy Bonds.

Except as otherwise required under applicable provisions of the Code, the proceeds, if any, from any such sale or other disposition shall be deposited, first, into the Renewal, Replacement and Improvement Fund to the extent necessary to make the amount therein equal to the Renewal, Replacement and Improvement Fund Requirement, and, second, into the Utility Reserve Fund. Proceeds from any lease of assets of the System shall constitute Gross Revenues and shall be deposited in the Revenue Fund.

The transfer of the System as a whole from the control of the Board to some other board or authority created for the purpose of owning, operating or controlling the System and which constitutes a governmental entity, interest on obligations issued by which are excluded from gross income for purposes of Federal income taxation (other than obligations similar to Taxable Bonds or Federal Subsidy Bonds), shall not be deemed prohibited by this Section 5.07 and such successor board or authority shall fall within the definition of "Issuer" in Section 1.01 hereof.

Notwithstanding the foregoing provisions of this Section 5.07, the Issuer shall have the authority to sell for fair and reasonable consideration any land comprising a part of the

System which is no longer necessary or useful in the operation of the System and the proceeds derived from the sale of such land shall be disposed of in accordance with the provisions of the fourth paragraph of this Section 5.07; provided, however, if any of the land to be sold was financed in whole or in part with proceeds of Bonds (other than Taxable Bonds) that remain Outstanding then the Issuer shall obtain an opinion of Bond Counsel to the effect that such sale will not adversely affect the federal tax exempt status of interest on such Bonds or shall not otherwise affect the status of any such Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to said Outstanding Federal Subsidy Bonds.

The Issuer may make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the System if such contract, license, easement or right does not, in the opinion of the Consulting Engineers, as evidenced by a certificate to that effect filed with the Issuer, impede or restrict the operation by the Issuer of the System, but any payments to the Issuer under or in connection with any such contract, license, easement or right in respect of the System or any part thereof shall constitute Gross Revenues and shall be deposited in the Revenue Fund; provided, however, if that portion of the System was financed in whole or in part with proceeds of Bonds (other than Taxable Bonds) that remain Outstanding then the Issuer shall obtain an opinion of Bond Counsel to the effect that such action will not adversely affect the federal tax exempt status of interest on such Bonds or shall not otherwise affect the status of any such Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to said Outstanding Federal Subsidy Bonds.

SECTION 5.08. INSURANCE. The Issuer will carry or cause to be carried such insurance as is ordinarily carried by private or public entities owning and operating utility facilities similar to the System with a reputable insurance carrier or carriers, in such amounts as the Issuer shall determine to be sufficient and such other insurance against loss or damage by fire, explosion, hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall at all times be in an amount or amounts equal to the fair appraisal value of the buildings, properties, furniture, fixtures and equipment of the System, or such other amount or amounts as the Consulting Engineers or an insurance consultant who has a favorable reputation and experience and is qualified to survey risks and to recommend insurance coverage for Persons engaged in operations similar to the System, shall recommend or approve as sufficient.

The Issuer may establish certain levels of insurance for which the Issuer may self-insure. Such levels of insurance shall be in amounts as recommended by an insurance consultant who has a favorable reputation and experience and is qualified to survey risks and to recommend insurance coverage for Persons engaged in operations similar to the System.

The proceeds from property loss and casualty insurance shall be deposited in the Renewal, Replacement and Improvement Fund or other appropriate fund or account, and,

together with other available funds of the Issuer, shall be used to repair or replace the damaged portion of the System; provided, however, if the Issuer makes a determination in accordance with Section 5.07 hereof that such portion of the System is no longer necessary or useful in the operation of the System, such proceeds shall (1) if such proceeds equal or exceed \$1,000,000, (a) be applied to the redemption or purchase of Bonds or (b) be deposited in irrevocable trust for the payment of Bonds in the manner set forth in Section 9.01, provided the Issuer has received an opinion of Bond Counsel to the effect that such deposit shall not adversely affect the exclusion, if any, from gross income of interest on the Outstanding Bonds for purposes of federal income taxation (other than Taxable Bonds) and will not otherwise affect the status of any Outstanding Bonds issued as Federal Subsidy Bonds or the Issuer's receipt of Federal Subsidy Payments with respect to any Outstanding Federal Subsidy Bonds, or (2) if such proceeds are less than \$1,000,000, be deposited in the Revenue Fund.

SECTION 5.09. NO FREE SERVICE. The Issuer will not render, or cause to be rendered, any free services of any nature by its System or any part thereof, including reservation of capacity, nor will any preferential rates be established for users of the same class.

SECTION 5.10. NO IMPAIRMENT OF RIGHTS. The Issuer will not enter into any contract or contracts, nor take any action, the results of which might impair the rights of the Holders of the Bonds and will not permit the operation of any competing water or sewer service facilities in the County; provided, however, the Issuer reserves the right to permit the ownership and operation of water or sewer service facilities or both by itself or by others in any territory which is not in any service area now or hereafter served by the System.

SECTION 5.11. COMPULSORY WATER AND SEWER CONNECTIONS. The Issuer will, to the full extent permitted by law, require all lands, buildings and structures within the Issuer's service area, fronting or abutting on the lines of the System, or any part thereof, or which can use the facilities of the System to connect with and use such facilities within 90 days after notification that service is available.

SECTION 5.12. ENFORCEMENT OF CHARGES. The Issuer shall compel the prompt payment of rates, fees and charges imposed in connection with the System, and to that end will vigorously enforce all of the provisions of any ordinance or resolution of the Issuer having to do with sewer and water connections and charges, and all of the rights and remedies permitted the Issuer under law, including the requirement for the making of a reasonable deposit by each user and the requirement for disconnection of all premises delinquent in the payment.

SECTION 5.13. UNIT WATER AND SEWER BILLS. In every instance in which a building or structure on a lot is connected to the sewer facilities of the System, which building or structure is also connected to the water facilities of the System and

receives water therefrom, the Issuer shall submit to the owner or occupant of such lot a single bill for both water and sewer service.

SECTION 5.14. COVENANTS WITH CREDIT BANKS AND INSURERS.

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

SECTION 5.15. CONSULTING ENGINEERS. The Issuer shall at all times employ Consulting Engineers, whose duties shall be to make any certificates and perform any other acts required or permitted of the Consulting Engineers under this Resolution, and also to review the construction and operation of the System, to make an inspection of the System at least once every [three] years, to submit to the Issuer a report as to the adequacy of maintenance, repair and operation of the System.

SECTION 5.16. FEDERAL INCOME TAXATION COVENANTS; TAXABLE BONDS. The Issuer covenants with the Holders of each Series of Bonds (other than Taxable Bonds and Federal Subsidy Bonds) that it shall not use the proceeds of such Series of Bonds in any manner which would cause the interest on such Series of Bonds to be or become included in gross income for purposes of Federal income taxation.

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

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

The Issuer may, if it so elects, issue one or more Series of Taxable Bonds the interest on which is (or may be) includable in the gross income of the Holder thereof for federal income taxation purposes, so long as the issuance thereof will not cause interest on any

other Bonds theretofore issued hereunder to be or become subject to federal income taxation. The covenants set forth in this Section 5.16 shall not apply to any Taxable Bonds.

SECTION 5.17. HEDGE AGREEMENTS. Each Counterparty to a Qualified Hedge Agreement shall meet the Initial Rating Requirement. For the period the Counterparty does not fall below one of the four highest rating categories (without regard to gradations such as "plus" or "minus" or "1", "2", or "3") by any Rating Agency (the "Minimum Rating Requirement"), interest on Bonds subject to a Qualified Hedge Agreement with such Counterparty shall be deemed to be the Hedge Payments for purposes of the definition of "Annual Debt Service." For any period the Counterparty does not satisfy the Minimum Rating Requirement and is not replaced by a Counterparty that meets the Initial Rating Requirement, interest on Bonds subject to a Qualified Hedge Agreement with such Counterparty shall be the actual interest on such Bonds (not taking into account the Hedge Payments) for purposes of the definition of "Annual Debt Service."

SECTION 5.18. FEDERAL SUBSIDY BONDS. The Issuer covenants with respect to any Bonds issued as Federal Subsidy Bonds that it will:

(A) File, on a timely basis, Internal Revenue Service Form 8038-CP or such other form or forms required by the United States Department of Treasury to receive Federal Subsidy Payments in connection with any Bonds issued as Federal Subsidy Bonds.

(B) Deposit promptly the Federal Subsidy Payments received from the United States Department of Treasury, if any, to the Interest Account of the Sinking Fund to pay interest on the Federal Subsidy Bonds.

(C) Comply with all provisions of the Code, all Treasury Regulations promulgated thereunder, and any applicable notice, ruling or other formal interpretation issued by the United States Department of Treasury or the Internal Revenue Service, in order for the Bonds issued as Federal Subsidy Bonds to be and to remain Federal Subsidy Bonds.

(D) Not take any action, or fail to take any action, if any such action or failure to take such action would adversely affect the Issuer's receipt of Federal Subsidy Payments or the status of the Bonds issued as Federal Subsidy Bonds, or any portion thereof, as Federal Subsidy Bonds. The Issuer covenants that it will not directly or indirectly use or permit the use of any proceeds of Bonds issued as Federal Subsidy Bonds or any other of its funds or take or omit to take any action that would cause the Bonds issued as Federal Subsidy Bonds to be or become "arbitrage bonds" within the meaning of Section 148(a) or to fail to meet any other applicable requirements of the Code.

SECTION 5.19. CREATION OF THE BROWARD COUNTY WHOLESALE UTILITY SYSTEM. Notwithstanding any other provision in this Resolution to the contrary, the Issuer may establish a wholesale water supply and/or sewer

treatment system accounted separate and apart from the System described herein. Such wholesale water supply and/or sewer treatment system, if created, shall be known as the Broward County Wholesale Utility System or such other name as shall be provided by the Issuer by Supplemental Resolution. The Broward County Wholesale Utility System may be established by the Issuer pursuant to resolution or ordinance if the following conditions are satisfied:

(A) The Issuer establishes an enterprise fund segregating the revenues and operating expenses relating to the Broward County Wholesale Utility System. Except as otherwise provided herein, the revenues and operating expenses of the Broward County Wholesale Utility System shall be accounted for separate and apart from those of the System.

(B) The Issuer provides that the Broward County Wholesale Utility System shall only provide wholesale water supply and/or sewer treatment service to its customers; which may include the Issuer on behalf of the System and wholesale customers of the System prior to the establishment of the Broward County Wholesale Utility System.

(C) The Issuer provides that debt of the Broward County Wholesale Utility System shall not be secured pursuant to this Resolution, including funds and accounts established hereby.

(D) The Issuer provides a general description of the facilities and other property which shall constitute the Broward County Wholesale Utility System.

(E) The Issuer makes a finding that the establishment of the Broward County Wholesale Utility System shall not adversely affect the Issuer's obligation to satisfy the provisions of Section 5.04 hereof.

In the event the Issuer establishes the Broward County Wholesale Utility System, operating expenses, consultant services and fees, Issuer personnel and services, provision of insurance, facilities and other property of the System and the Broward County Wholesale Utility System may be shared by, or allocated between, such Systems in such manner as the Issuer deems appropriate. The provisions of Section 5.07 hereof shall not apply to the establishment of the Broward County Wholesale Utility System, including any sale, transfer, lease or other disposition of property of the System to the Broward County Wholesale Utility System provided the Issuer determines that such sale, transfer, lease or other disposition will not materially adversely affect its ability to pay the principal of and interest on the Bonds. The provisions of this Section 5.19 shall be liberally construed to allow for the establishment of the Broward County Wholesale Utility System, its operation, and the issuance of debt by such System.

ARTICLE VI SUBORDINATED INDEBTEDNESS AND ADDITIONAL BONDS

SECTION 6.01. SUBORDINATED INDEBTEDNESS. The Issuer will not issue any other obligations, except under the conditions and in the manner provided herein, secured by or payable from the Pledged Funds or the Gross Revenues or any component thereof or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon. The Issuer may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of Pledged Funds and which may be secured by a pledge of Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by this Resolution and provided further that the issuance of such Subordinated Indebtedness shall be subject to any provisions contained in financing documents securing outstanding Subordinated Indebtedness to the extent such provisions impact on the ability of the Issuer to issue Subordinated Indebtedness. The Issuer shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued under the provisions of Section 6.02 hereof. The Issuer agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

SECTION 6.02. ISSUANCE OF ADDITIONAL BONDS. No Additional Bonds, payable on parity with the Bonds then Outstanding pursuant to this Resolution, shall be issued except upon the conditions and in the manner herein provided. The Issuer may issue one or more Series of Additional Bonds for any one or more of the following purposes: (i) financing or refinancing the Cost of a Project, or the completion thereof, or (ii) refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the Issuer or any other indebtedness of the Issuer that it may lawfully refund with proceeds of the Bonds.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) Except in the case of Additional Bonds issued for the purpose of refunding Outstanding Bonds, the Issuer shall certify that it is current in all deposits into the various funds and accounts established hereby and all payments theretofore required to have been deposited or made by it under the provisions of this Resolution, including all Policy Costs, and have complied with the covenants and agreements of this Resolution.

(B) The Chief Financial Officer (or her or his designee) or the Rate Consultant shall certify to the Issuer the amount of the Net Revenues, adjusted as hereinafter provided, during the immediate preceding Fiscal Year or any twelve (12) consecutive months

selected by the Issuer of the twenty-four (24) months immediately preceding the issuance of said Additional Bonds, adjusted as hereinafter provided, were equal to (1) at least one hundred twenty percent (120%) of the Maximum Annual Debt Service of the Outstanding Bonds and the Additional Bonds then proposed to be issued and (2) at least one hundred percent (100%) of any amounts required by the terms hereof to be deposited in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy.

(C) For the purpose of determining the Maximum Annual Debt Service under this Section 6.02, the interest rate on additional parity Variable Rate Bonds then proposed to be issued shall be assumed to be a fixed rate equal to (1) if interest on such Bonds is excludable from gross income under the applicable provisions of the Code, the 25 Revenue Bond Index published in The Bond Buyer immediately preceding the sale of such Bonds to the initial purchasers thereof (or comparable Index if no longer published), plus 50 basis points, or (2) if such Bonds are Taxable Bonds, the interest rate or rates one week prior to the sale of such Bonds on direct U.S. Treasury obligations with comparable maturities, plus 50 basis points.

(D) For the purpose of determining the Maximum Annual Debt Service under this Section 6.02, the interest rate on Outstanding Variable Rate Bonds shall be assumed to be a fixed rate equal to the highest of (1) the actual rate on the date one week prior to the sale of the Additional Bonds, (2) if such Bonds have been Outstanding for at least 12 months, the average rate over the 12 months immediately preceding the date one week prior to the sale of the Additional Bonds, and (3) (i) if interest on such Variable Rate Bonds is excludable from gross income under the applicable provisions of the Code, the interest rate for 25 Revenue Bond Index most recently published by The Bond Buyer preceding the sale of the Additional Bonds, plus 50 basis points, or (ii) if the Variable Rate Bonds are Taxable Bonds, the interest rate one week prior to the sale of the Additional Bonds on direct U.S. Treasury obligations with comparable maturities.

(E) For the purpose of this Section 6.02, the phrase "immediately preceding Fiscal Year or the twelve (12) consecutive months of the twenty-four (24) months immediately preceding the issuance of said Additional Bonds" shall be sometimes referred to as "twelve (12) consecutive months." Such twelve (12) consecutive months may occur during a period of time during which the System was not owned by the Issuer.

(F) The Net Revenues calculated pursuant to the foregoing Section 6.02(B) may be adjusted upon the written advice of the Rate Consultant, at the option of the Issuer, as follows:

(1) If the Issuer, prior to the issuance of the proposed Additional Bonds, shall have increased the rates, fees or other charges for the product, services or facilities of the System, the Net Revenues for the twelve (12) consecutive months immediately preceding the issuance of said Additional Bonds shall be adjusted to

show the Net Revenues which would have been derived from the System in such twelve (12) consecutive months as if such increased rates, fees or other charges for the product, services or facilities of the System had been in effect during all of such twelve (12) consecutive months.

(2) If the Issuer shall have acquired or has contracted to acquire any privately or publicly owned existing water and/or sewer system, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed Additional Bonds, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said Additional Bonds shall be increased by adding to the Net Revenues for said twelve (12) consecutive months the Net Revenues which would have been derived from said existing water and/or sewer system as if such existing water and/or sewer system had been a part of the System during such twelve (12) consecutive months. For the purposes of this paragraph, the Net Revenues derived from said existing water and/or sewer system during such twelve (12) consecutive months shall be adjusted to determine such Net Revenues by deducting the cost of operation and maintenance of said existing water and/or sewer system from the gross revenues of said system. Such Net Revenues shall take into account any increase in rates imposed on customers of such water and/or sewer system on or prior to the acquisition thereof by the Issuer.

(3) If the Issuer, in connection with the issuance of Additional Bonds, shall enter into a contract (with a duration not less than the final maturity of such Additional Bonds) with any public or private entity whereby the Issuer agrees to furnish services in connection with any water and/or sewer system, then the Net Revenues of the System during the twelve (12) consecutive months immediately preceding the issuance of said Additional Bonds shall be increased by the least amount which said public or private entity shall guarantee to pay in any one year for the furnishing of said services by the Issuer, after deducting therefrom the proportion of operating expenses and repair, renewal and replacement cost attributable in such year to such services.

(4) In the event the Issuer shall be constructing or acquiring additions, extensions or improvements to the System from the proceeds of such Additional Bonds and shall have established fees, rates or charges to be charged and collected from users of such facilities when service is rendered, such Net Revenues may be adjusted by adding thereto one hundred percent (100%) of the Net Revenues estimated by the Rate Consultant to be derived during the first twelve (12) months of operation after completion of the construction or acquisition of said additions, extensions and improvements from the customers of the facilities to be financed by Additional Bonds together with other funds on hand or lawfully obtained for such purpose; provided such customers must represent existing occupied structures that

will be added to the System upon completion of the proposed additions, extensions or improvements.

(5) The Net Revenues shall be adjusted for any period the System or any portion thereof was not owned by the Issuer to reflect government ownership of the System or such portion.

(6) If the Issuer shall add new customers subsequent to the commencement of the twelve (12) consecutive month period, the Rate Consultant may adjust the Net Revenues to reflect the Net Revenues that would have been received by the Issuer if such customers had been in place for the entire 12 consecutive months.

(7) The Annual Debt Service shall be adjusted to include a deduction for any Federal Subsidy Payments that were scheduled to be received during the twelve (12) consecutive months but were not received by the Issuer, provided the Issuer receives such Payments prior to delivery of the Additional Bonds.

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

(H) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of Section 6.02(B) shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction of the aggregate debt service. The conditions of Section 6.02(B) shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

SECTION 6.03. BOND ANTICIPATION NOTES. The Issuer may issue notes in anticipation of the issuance of Bonds which shall have such terms and details and be secured in such manner, not inconsistent with this Resolution, as shall be provided by Supplemental Resolution of the Issuer.

SECTION 6.04. ACCESSION OF SUBORDINATED INDEBTEDNESS TO PARITY STATUS WITH BONDS. The Issuer may provide for the accession of Subordinated Indebtedness to the status of complete parity with the Bonds, if (A) the Issuer shall meet all the requirements imposed upon the issuance of Additional Bonds by Sections 6.02(A) and (B) hereof, assuming for purposes of said requirements, that such

Subordinated Indebtedness shall be Additional Bonds, (B) the facilities financed by such Subordinated Indebtedness shall be, or become part of, the System, and (C) if such Subordinated Indebtedness will be secured in any manner by the Reserve Account or a subaccount therein, the Reserve Account, upon such accession, shall contain an amount equal to the Reserve Account Requirement in accordance with Section 4.05(B)(4) hereof. If the aforementioned conditions are satisfied, the Subordinated Indebtedness shall be deemed to have been issued pursuant to this Resolution the same as the Outstanding Bonds, and such Subordinated Indebtedness shall be considered Bonds for all purposes provided in this Resolution.

ARTICLE VII DEFAULTS AND REMEDIES

SECTION 7.01. EVENTS OF DEFAULT. The following events shall each constitute an "Event of Default":

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

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

(C) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding. Notwithstanding the foregoing, the Issuer shall not be deemed to be in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until default has been corrected.

SECTION 7.02. REMEDIES. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof; provided, however, that no Holder, trustee or receiver shall have the right to declare the Bonds immediately due and payable.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the

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

SECTION 7.03. DIRECTIONS TO TRUSTEE AS TO REMEDIAL PROCEEDINGS. The Holders of a majority in principal amount of the Bonds then Outstanding (or any Insurer insuring any then Outstanding Bonds) have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder with respect to the Series of Bonds owned by such Holders or insured by such Insurer, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

SECTION 7.04. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 7.05. WAIVER OF DEFAULT. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 7.02 to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

SECTION 7.06. APPLICATION OF MONEYS AFTER DEFAULT. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds (except as for amounts in the subaccounts of the Reserve Account which shall be applied to the payment of the Series of Bonds for which they were established) as follows and in the following order:

(A) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver and Registrar hereunder;

(B) To the payment of the amounts required for reasonable and necessary Current Expenses, and for the reasonable renewals, repairs and replacements of the System necessary to prevent loss of Gross Revenues, as certified by the Consulting Engineer;

(C) To the payment of the interest (including Hedge Payments) and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

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

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

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 9.01 of this Resolution), in the order of their due dates, with any accrued and unpaid interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with any accrued and unpaid interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

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

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

(3) To the payment of all amounts owed to the Insurers and Credit Banks not covered by A, B or C above and all amounts owed to Counterparties not covered by A, B or C above on a pro rata basis.

SECTION 7.07. CONTROL BY INSURER. To the extent an Insurer makes any payment of principal of or interest on Bonds in accordance with its Bond Insurance Policy, such Insurer shall become subrogated to the rights of the recipients of such payments in accordance with the terms of its Bond Insurance Policy. Upon the occurrence and continuance of an Event of Default, an Insurer of a Series of Bonds, if such Insurer shall not be in payment default under its Bond Insurance Policy, shall be deemed to be the sole owner of such Bonds for purposes of (A) directing and controlling the enforcement of all rights and remedies with respect to such Series of Bonds, including any waiver of an Event of Default and removal of any trustee, and (B) exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of such Bonds are entitled to take pursuant to this Article VII hereof. No provision expressly recognizing or granting rights in or to an Insurer shall be modified without the consent of such Insurer. An Insurer's rights under this Section 7.07 shall be suspended during any period in which such Insurer is in default in its payment obligations under its Bond Insurance Policy (except to the extent of amounts previously paid by such Insurer and due and owing to such Insurer) and shall be of no force or effect if its Bond Insurance Policy is no longer in effect or if the Insurer asserts that its Bond Insurance Policy is not in effect or if the Insurer waives such rights in writing. The rights granted to an Insurer under this Section 7.07 are granted in consideration of such Insurer issuing its Bond Insurance Policy. The Issuer shall provide each Insurer immediate notice of any Event of Default described in Section 7.01(A) hereof and notice of any other Event of Default occurring hereunder within 30 days of the occurrence thereof. Each Insurer of any Bonds hereunder shall be considered a third-party beneficiary to the Resolution with respect to such Bonds.

ARTICLE VIII SUPPLEMENTAL RESOLUTIONS

SECTION 8.01. SUPPLEMENTAL RESOLUTION WITHOUT BONDHOLDERS' CONSENT. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolutions shall thereafter form a part hereof) for any of the following purposes:

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

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

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

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

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

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

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

(H) To provide for the establishment of a separate subaccount or subaccounts in the Reserve Account which shall independently secure one or more Series of Bonds.

(I) To make any other change that, in the opinion of the Issuer, would not materially adversely affect the interests of the Holders of the Bonds. In making such determination, the Issuer shall not take into consideration any Bond Insurance Policy.

SECTION 8.02. SUPPLEMENTAL RESOLUTION WITH BONDHOLDERS', INSURERS' AND CREDIT BANKS' CONSENTS. Subject to the terms and provisions contained in this Section 8.02 and Sections 8.01 and 8.03 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series or maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 8.02. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 8.02 shall also require the written consent of any Credit Bank that has provided a Credit Facility and the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect if such Insurer and Credit Bank are not in payment default under their Bond Insurance Policy or Credit Facility, as the case may be. No Supplemental Resolution may be approved or adopted which shall permit or require, without the consent of all affected Bondholders, (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of the Pledged Funds other than the lien and pledge created by this Resolution, or except as otherwise permitted or provided hereby, which materially adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds (except as to the establishment of separate subaccounts in the Reserve Account provided in Section 4.05(B)(4) hereof), or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders or the Insurers or the Credit Banks of the adoption of any Supplemental Resolution as authorized in Section 8.01 hereof.

If at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 8.02, the County Administrator shall cause the Registrar to give notice of the proposed amendments provided in such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed amendments and shall state that copies thereof are on file at the offices of the County Administrator and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 8.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 8.02.

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

The Issuer may adopt the Supplemental Resolution approving the amendments subject to the consents and approvals described in this Section 8.02.

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

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 8.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Notwithstanding any other provision of this Section 8.02, Holders of Bonds shall be deemed to have provided consent pursuant to this Section 8.02 if the offering document for such Bonds expressly describes the Supplemental Resolution and the amendments to this Resolution contained therein and states by virtue of the Holders' purchase of such Bonds the Holders are deemed to have notice of, and consented to, such Supplemental Resolution and amendments.

Notwithstanding any other provision of this Section 8.02, to the extent permitted by law, at the time of issuance or remarketing of Bonds under this Resolution, a broker, dealer or municipal securities dealer, serving as underwriter or remarketing agent for such Bonds, or as agent for or in lieu of Holders of the Series Bonds, may provide consent to amendments to this Resolution pursuant to this Section 8.02.

SECTION 8.03. AMENDMENT WITH CONSENT OF INSURERS AND CREDIT BANKS ONLY. For purposes of amending this Resolution pursuant to Section 8.02 hereof, an Insurer of Bonds and the Credit Bank providing a Credit Facility shall be

considered the Holder of such Bonds which it has insured or provided a Credit Facility. The consent of the Holders of such Bonds shall not be required if the Insurer of such Bonds and any such Credit Bank shall consent to the amendment as provided by this Section 8.03 and such Insurer and Credit Bank is not in default with respect to its obligations under its Bond Insurance Policy or Credit Facility. At least 15 days prior to adoption of any amendment made pursuant to this Section 8.03, notice of such amendment shall be delivered to the Rating Agencies rating the Bonds. Upon filing with the County Administrator of evidence of such consent the Insurers and Credit Banks as aforesaid, the Issuer may adopt such Supplemental Resolution or adopt the Supplemental Resolution subject to the consents provided in this Section 8.02. After the adoption by the Issuer of such Supplemental Resolution, notice thereof shall be mailed in the same manner as notices of an amendment under Section 8.02 hereof. Notwithstanding the foregoing, the consent of all affected Bondholders shall still be required with respect to any amendment set forth in Clauses (A), (B), (C), (D) or (E) in the first paragraph of Section 8.02 hereof.

ARTICLE IX MISCELLANEOUS

SECTION 9.01. DEFEASANCE. If (A) the Issuer shall pay or cause to be paid or there shall otherwise be paid to the Holders of any Bonds the principal and interest or Redemption Price, plus accrued interest, due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, and (B) the Issuer shall pay all Policy Costs owing to any provider of a Reserve Account Letter of Credit or Reserve Account Insurance Policy and all amounts owing to the Insurers and Credit Banks, then all covenants, agreements and other obligations of the Issuer to the Holders of such Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for payment or redemption of any Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto shall be deemed to have been paid within the meaning of this Section 9.01 if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (ii) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Refunding Securities verified by an independent certified public accountant or nationally recognized company that provides verification services for municipal bonds to be in such amount that the principal of and the interest on or Redemption Price thereof which when due will provide moneys which, together with the moneys, if any, deposited with such banking institution or trust company at the same time shall be sufficient, to pay the principal of, premium, if any, and interest due and to become due on said Bonds through and including the maturity date and/or redemption date, as applicable, thereof. Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with such banking institution or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price of the Bonds for the payment of which they were deposited and the interest accruing thereon to the date of maturity and/or redemption date, as applicable; provided, however, the Issuer may substitute new Refunding Securities and moneys for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of and interest on or Redemption Price of the refunded Bonds.

For purposes of determining whether Variable Rate Bonds shall be deemed to have been paid prior to the maturity or the redemption date thereof, as the case may be, by the

deposit of moneys, or specified Refunding Securities and moneys, if any, in accordance with this Section 9.01, the interest to come due on such Variable Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than the Maximum Interest Rate for any period, the total amount of moneys and specified Refunding Securities on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to satisfy this Section 9.01, such excess shall be paid to the Issuer free and clear of any trust, lien, pledge or assignment securing the Bonds or otherwise existing under this Resolution.

If Bonds are not to be redeemed or paid within 60 days after any such defeasance described in this Section 9.01, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 9.01 of moneys or Refunding Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 9.01 and stating such maturity date and/or redemption date, as applicable, upon which moneys are to be available for the payment of the principal of and interest on or Redemption Price of said Bonds. Failure to provide said notice shall not affect the Bonds being deemed to have been paid in accordance with the provisions of this Section 9.01.

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

Notwithstanding anything herein to the contrary, in the event that the principal of or interest due on the Bonds shall be paid by an Insurer or Insurers, such Bonds shall remain Outstanding, shall not be defeased or otherwise satisfied and shall not be considered paid by the Issuer, and the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the Bondholders shall continue to exist and such Insurer or Insurers shall be subrogated to the rights of such Bondholders.

SECTION 9.02. CAPITAL APPRECIATION BONDS. For the purposes of (A) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, or (B) receiving payment of a Capital Appreciation Bond if the principal of all Bonds becomes due and payable under the provisions of this Resolution, or (C) computing the amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Issuer or any trustee or receiver appointed to represent the Bondholders any notice, consent, request or demand pursuant to this Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

SECTION 9.03. SALE OF BONDS. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law.

SECTION 9.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 9.05. VALIDATION AUTHORIZED. To the extent deemed necessary by Bond Counsel or desirable by Counsel for the Issuer, the Attorney for the Issuer is authorized to institute appropriate proceedings for validation of the Bonds herein authorized pursuant to Chapter 75, Florida Statutes.

SECTION 9.06. REPEAL OF INCONSISTENT RESOLUTIONS. All ordinances, resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 9.07. FULL FORCE AND EFFECT. The Resolution, as herein amended and restated, shall remain in full force and effect.

SECTION 4. FULL FORCE AND EFFECT. The Resolution, as herein amended and restated, shall remain in full force and effect.

SECTION 5. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Amended and Restated Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Amended and Restated Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 6. REPEALING CLAUSE. All resolutions, ordinances, or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 7. EFFECTIVE DATE. This Amended and Restated Resolution shall take effect upon compliance with the provisions of Section 1002 of the Existing Resolution relating to Bondholders consent for supplemented resolutions.

Adopted by the Board of County Commissioners of Broward County, Florida this ____ day of _____, 2025.

[SEAL]

Mayor, Broward County, Florida

County Administrator and ex officio
Clerk of the Board of County
Commissioners

Approved as to form by Bond Counsel

Nabors, Giblin & Nickerson, P.A.