

A RESOLUTION AUTHORIZING THE ISSUANCE OF A NOT EXCEEDING \$10,000,000 TAX ANTICIPATION NOTE, SERIES 2012 OF THE SCHOOL DISTRICT OF ST. LUCIE COUNTY, FLORIDA, TO PROVIDE INTERIM FUNDS FOR THE PAYMENT OF OPERATING EXPENSES OF THE DISTRICT; PLEDGING CERTAIN TAX RECEIPTS TO THE PAYMENT OF THE NOTE; AUTHORIZING CERTAIN REMEDIES TO THE HOLDER OF THE NOTE AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS AND DETAILS OF THE NOTE, INCLUDING AUTHORIZATION OF A NEGOTIATED SALE OF SAID NOTE PURSUANT TO SECTION 218.385, FLORIDA STATUTES; AUTHORIZING AND DIRECTING THE SUPERINTENDENT, WITH THE ASSISTANCE FROM THE SCHOOL BOARD'S FINANCIAL ADVISOR, TO SOLICIT PROPOSALS FROM FINANCIAL INSTITUTIONS TO PURCHASE SUCH NOTE AND TO AWARD THE NOTE TO THE FINANCIAL INSTITUTION THAT PROVIDES THE MOST BENEFICIAL PROPOSAL TO THE SCHOOL BOARD, AS DETERMINED BY THE SUPERINTENDENT, UPON THE ADVICE OF THE FINANCIAL ADVISOR; PROVIDING THE FORM OF THE NOTE; APPOINTING THE PAYING AGENT AND NOTE REGISTRAR FOR SAID NOTE; AUTHORIZING CERTAIN OFFICIALS OF THE BOARD TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE OF SAID NOTE; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE SCHOOL BOARD OF ST. LUCIE COUNTY, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 1011, Florida Statutes, and other applicable provisions of law.

SECTION 2. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires:

"Act" means Chapter 1011, Florida Statutes, as amended, and other applicable provisions of law.

"Advance" means with respect to a draw down Note, a payment by the Purchaser which is loaned to the District pursuant to this Resolution. The aggregate of such Advances shall not exceed the Principal Amount.

"Advanced Amount" means with respect to a draw down Note, the aggregate sum of the outstanding Advances under the Note loaned to the District, which Advanced Amount shall not exceed the Principal Amount.

"Advance Request" means an executed written application by the Superintendent or his designee to the Purchaser substantially in the form attached hereto as Exhibit C, setting forth the amount of the Advance requested and the date on which such Advance is requested to be funded in order to pay operating expenses of the District.

"Assistant Superintendent" means the Assistant Superintendent, Business Services/Chief Financial Officer of the District and, in his or her absence or unavailability, any other Assistant Superintendent of the District or such other person as may be authorized to act on his or her behalf.

"Board" means The School Board of St. Lucie County, Florida, the governing body of the District.

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

"Computation Date" means any date of calculation of the Cumulative Cash Flow Deficit.

"County" means St. Lucie County, Florida, a political subdivision of the State of Florida.

"Cumulative Cash Flow Deficit" means, as of any Computation Date during the 2012/2013 Fiscal Year, an amount equal to:

(A) The amount the District will expend from the date of issuance of the Note to such Computation Date for expenditures which would ordinarily be paid out of or financed by ad valorem taxes and other available Non Ad Valorem Funds, minus

(B) The sum of the "available amounts," as defined in the Code (excluding proceeds of the Note), whether in the form of cash, investments, or otherwise, which will be available for the payment of working capital expenditures of the type to be paid from the proceeds of the Note without legislative or judicial action and without a legislative, judicial or contractual requirement that those amounts be reimbursed. Said amounts shall be measured from the date of issuance of the Note to the Computation Date referred to in paragraph (A) above.

"Deputy Superintendent" means any deputy Superintendent of the District authorized to act hereunder on behalf of the Superintendent.

"Determination of Taxability" shall mean the circumstance of interest paid or payable on the Note becoming includable for federal income tax purposes in the gross income of the Holder of the Note for any reason whatsoever and regardless of whether the same was within or beyond the control of the District. A Determination of Taxability shall be evidenced by either (a) the receipt by the District or Holder of the Note of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency which holds that any interest payable on the Note is includable in the gross income of such Holder of the Note; (b) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on the Note is includable in the gross income of the Holder of the Note; or (c) receipt by the District or the Holder of the Note of an opinion of Note Counsel that any interest on the Note has become includable in the gross income of the Holder of the Note for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the first date as of which the interest on the Note is deemed includable in the gross income of the Holder of the Note. A Determination of Taxability shall not occur solely from the fact that such interest is taken into account in determining adjusted current earnings for the purpose of the alternative minimum tax imposed on corporations.

"District" means The School District of St. Lucie County, Florida created by Article IX, Section 4 of the Constitution of Florida.

"Financial Advisor" means Ford & Associates, Inc., Tampa, Florida, or its successors and assigns.

"Holder" or **"Noteholder"** means the registered owner of the Note and originally shall be the Purchaser.

"Interest Rate" means the fixed rate per annum proposed by the Purchaser and complying with the requirements of this Resolution.

"Maturity Date" means the maturity date of the Note, which shall be no later than March 1, 2013.

"2012/2013 Fiscal Year" means the fiscal year of the District which commenced July 1, 2012 and ends June 30, 2013.

"Non-Ad Valorem Funds" means all legally available funds of the District or Board derived from sources other than ad valorem taxation.

"Note" means the tax anticipation note authorized by this Resolution in substantially the form attached as Exhibit A hereto, with such modifications as shall be

approved by the Superintendent or her designee upon the advice of Note Counsel to the District, approval of such changes to be presumed by the execution thereof by the Superintendent or her designee.

"Note Counsel" means Nabors, Giblin & Nickerson, P.A., Tampa, Florida, or such other firm of attorneys having expertise in the state and federal laws applicable to the issuance of public securities and obligations.

"Note Payment Fund" means The School District of St. Lucie County, Florida Tax Anticipation Note, Series 2012 Note Payment Fund created by this Resolution.

"Operating Budget" means the District's operating budget for the 2012/2013 Fiscal Year prepared in accordance with the Act.

"Paying Agent" or **"Note Registrar"** means the District, acting through its Superintendent.

"Permitted Investments" means investments from time to time legal for District moneys pursuant to the provisions of Sections 1010.53(2) and 218.415, Florida Statutes, as amended.

"Pledged Revenues" means (a) receipts of ad valorem taxes collected by the Tax Collector of the County for the benefit of the District during the 2012/13 Fiscal Year, but only to the extent such tax receipts are levied or legally available for payment of operating expenses of the District and (b) amounts on deposit in the Note Payment Fund. "Pledged Revenues" shall not include ad valorem taxes collected to pay the principal of and interest on bonds of the District issued pursuant to Sections 1010.40-1010.55, Florida Statutes, or to pay the principal of and interest on any obligations issued by the Board pursuant to Section 1011.14, Florida Statutes, or otherwise levied pursuant to Section 1011.71(2), Florida Statutes.

"Principal Amount" shall mean \$10,000,000 which is the maximum authorized aggregate principal amount of the Note that may be issued hereunder.

"Purchaser" means the initial purchaser of the Note, which purchaser shall be the financial institution that provides the most beneficial proposal to the Board to purchase the Note, as determined by the Superintendent, upon the advice of the Financial Advisor.

"Record Date" shall mean the 15th day (whether or not a business day) immediately preceding the Maturity Date of the Note.

"Regulations" means the Income Tax Regulations promulgated by the Internal Revenue Service under Section 103 and Sections 141-150 of the Internal Revenue Code of 1986, as amended and as in effect from time to time.

"State" means the State of Florida.

"Superintendent" means the Superintendent of Schools of the District, Secretary to the Board, and in his or her absence or unavailability, any Assistant Superintendent of the District and such other persons who may be duly authorized to act on the Superintendent's behalf.

SECTION 3. FINDINGS. It is hereby found, determined and declared as follows:

(A) Pursuant to Section 1011.13, Florida Statutes, and other applicable provisions of law, the school board of any school district in the State of Florida is authorized to negotiate a current loan at any time the current school funds on hand are estimated to be insufficient to pay obligations created by such school board, in accordance with the applicable budget of such school district.

(B) The Board has adopted its Operating Budget reflecting the reasonable estimates of receipts and expenditures of the District during the 2012/13 Fiscal Year.

(C) The Board, to the extent possible, has endeavored to arrange the expenditures of the District for the 2012/13 Fiscal Year so as to make it unnecessary for the District to incur loans.

(D) It is estimated based on the Operating Budget that the school funds will be insufficient, at various times during the 2012/13 Fiscal Year, to satisfy obligations to be created by the Board in accordance with the Operating Budget of the District.

(E) It is therefore necessary for the benefit of the schools of the District for a loan to be obtained to meet the disbursement requirements of the Operating Budget, such loan to be retired from Pledged Revenues anticipated to be received in accordance with the Operating Budget and, if necessary, from the Non-Ad Valorem Funds.

(F) That the Superintendent, through the Financial Advisor, is hereby authorized to solicit proposals from certain financial institutions to provide the Board with a loan in an amount not to exceed \$10,000,000, the proceeds of which would be applied to provide interim funds for payment of operating expenses of the District. The Board hereby ratifies and approves any action taken by the Financial Advisor prior to the date hereof in furtherance of the purposes of this Resolution.

(G) That due to the potential volatility of the market for tax-exempt obligations such as the Note and the complexity of the transactions relating to such Note, it is in the best interest of the District to issue the Note on a negotiated basis to the Purchaser pursuant to Section 218.385(1), Florida Statutes. Prior to the purchase of the Note by the Purchaser, the Purchaser shall provide the information required by Section 218.385,

Florida Statutes, in connection with such sale of the Note, including a "truth-in-bonding" statement, in substantially the form of the letter attached hereto as Exhibit B.

(H) That the Board hereby determines it to be in the best interest of the Board and its inhabitants to provide such interim financing by obtaining a loan from the Purchaser and to evidence such loan through the issuance of the Note in the aggregate principal amount not exceeding the Principal Amount.

(I) The Principal Amount of the Note shall be less than 80% of the amount to be available from taxes levied by the District for operating purposes for the 2012/13 Fiscal Year.

(J) The Principal Amount of the Note shall not exceed the Cumulative Cash Flow Deficit plus any reasonable working capital reserve not in excess of the amount permitted by Section 1.148-6(d)(3)(iii)(B) of the Regulations.

(K) The loan as evidenced by the Note and computed as prescribed by Section 1011.13, Florida Statutes, will be, in the aggregate, not in excess of the amount necessary for the proper operation of the schools in the District.

(L) The Note will be payable as to both principal and interest from the Pledged Revenues estimated in the Operating Budget to be available, and, if necessary, are additionally payable from, but are not secured by, the Non-Ad Valorem Funds. Neither the faith and credit nor the taxing power of the State of Florida, the County, or the District are pledged to the payment of the principal of or the interest on the Note.

(M) It is estimated that the Pledged Revenues will be sufficient to pay the principal of and interest on the Note when due.

SECTION 4. SOLICITATION OF PROPOSALS. The Superintendent is hereby authorized and directed to solicit proposals, upon the advice and with the assistance of the Financial Advisor, from qualified financial institutions to purchase the Note. The Board hereby ratifies and affirms any action heretofore taken by the Financial Advisor in furtherance of the purposes of this Resolution. The Superintendent is further authorized and directed to determine, upon the advice of the Financial Advisor, which bidder has provided the most beneficial proposal and to award the sale of the Note to such bidder.

SECTION 5. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Note authorized to be issued hereunder, this Resolution shall be deemed to be and shall constitute a contract between the District, the Board and the Holder of the Note. The covenants and agreement herein set forth to be performed by the District and the Board shall be for the benefit, protection and security of the Holder of the Note.

SECTION 6. AUTHORIZATION AND DESCRIPTION OF THE NOTE. For the purpose of financing the cost of obligations incurred in the ordinary operations of the District in the 2011/12 Fiscal Year there is hereby authorized to be issued The School District of St. Lucie County, Florida Tax Anticipation Note, Series 2012, in the aggregate principal amount of not exceeding \$10,000,000. The Superintendent shall determine the principal amount of the Note, upon the advice of the Financial Advisor; provided, however, the principal amount shall not exceed \$10,000,000 or the Cumulative Cash Flow Deficit.

The Note shall be dated its date of issuance, shall be in the denomination of its outstanding Principal Amount, shall be in fully-registered form, shall mature on the Maturity Date and shall bear interest from its dated date (or the date of the related Advance) until maturity, calculated on a 360-day year basis (consisting of twelve 30-day months) or in such other manner as is specified in the bid of the Purchaser, payable at maturity at an annual interest rate equal to the Interest Rate proposed by the Purchaser (subject to adjustment as provided in Section 7 below), which Interest Rate may not exceed 3.00%; provided, however, that the Note may be issued as a "draw down note" allowing the District, through the Superintendent or his designee, to request Advances be drawn under the Note from time to time, in accordance with Section 14 hereof.

The Note may be subject to prepayment prior to maturity as set forth in the text of the Note.

SECTION 7. ADJUSTMENTS TO INTEREST RATE. (A) In the event of a Determination of Taxability, the Interest Rate on the Note shall be increased to a rate per annum as shall provide the Noteholder with the same rate of return that the Noteholder would have otherwise received on the Note taking into account the increased taxable income of the Noteholder as a result of such Determination of Taxability (the "Taxable Rate") effective retroactively to the date on which such Determination of Taxability was made. Immediately upon a Determination of Taxability, the District agrees to pay to the Holder of the Note subject to such Determination of Taxability the Additional Amount (as defined herein). "Additional Amount" means (i) the difference between (a) interest on the Note for the period commencing on the date on which the interest on such Note (or portion thereof) loses its tax-exempt status and ending on the earlier of the date such Note ceased to be outstanding or such adjustment is no longer applicable to such Note (the "Taxable Period") at a rate per annum equal to the Taxable Rate, and (b) the aggregate amount of interest payable on such Note for the Taxable Period under the provisions of such Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by such Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

(B) The Noteholder shall promptly notify the District in writing of any adjustments pursuant to this Section 7. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments pursuant to this

Section 7 may be retroactive. The Noteholder shall certify to the District in writing the additional amount, if any, due to the Noteholder as a result of an adjustment pursuant to this Section 7. Notwithstanding any provision of this Section 7 to the contrary, in no event shall the interest rate on the Note exceed the maximum rate permitted by law.

(C) The provisions set forth in this Section 7 shall survive payment of the Note until such time as the federal statute of limitations under which the interest on the Note could be declared taxable under the Code shall have expired.

SECTION 8. EXECUTION AND AUTHENTICATION OF NOTE.

The Note shall be executed in the name of the District by the Chairman or Vice-Chairman of the Board, and attested and countersigned by the Superintendent, as ex-officio Secretary of the Board, and the corporate seal of the District or a facsimile thereof shall be affixed thereto or reproduced thereon. The Note may be signed and sealed on behalf of the District by any person who at the actual time of the execution of such Note shall hold such offices in the District, although at the date of such Note such person may not have been so authorized. The Note may be executed by the facsimile signatures of the Chairman or Vice-Chairman or Superintendent so long as the Note bears one manual signature.

There shall be a Certificate of Authentication of the Note Registrar on the Note, and no Note shall be valid or obligatory for any purpose or be entitled to any security or benefit under the provisions of this Resolution unless such Certificate shall have been duly executed by the Note Registrar. The authorized signature for the Note Registrar shall be either manual or in facsimile, provided, however, that at least one of the above signatures, including that of the authorized signatures for the Note Registrar, appearing on the Note shall be a manual signature.

SECTION 9. NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Note shall be mutilated, destroyed, stolen or lost, upon the Holder furnishing the District proof of its ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the District may prescribe and paying such expenses as the District may incur, the District shall issue and deliver a new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in lieu of or substitution for the Note, if any, destroyed, stolen or lost, or in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, if any, to the District and the cancellation thereof; provided however, if the Note shall have matured or be about to mature, instead of issuing a substitute Note, the District may pay the same, upon being indemnified as aforesaid, and if such Note be lost, stolen or destroyed, without surrender thereof. Any Note surrendered under the terms of this Section 9 shall be cancelled by the Superintendent or her designee.

Any such duplicate Note issued pursuant to this section shall constitute an original, additional contractual obligation on the part of the District whether or not, as to

the duplicate Note, the lost, stolen or destroyed Note be at any time found by anyone, and such duplicate Note shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the special funds, as hereinafter pledged, to the same extent as any other Note issued hereunder.

SECTION 10. REGISTRATION AND TRANSFER OF NOTE. The Note shall be and shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code-Investment Securities Laws of the State of Florida, and each successive Holder, in accepting the Note, shall be conclusively deemed to have agreed that such Note shall be and have all of said qualities and incidents of such a negotiable instrument.

There shall always be a Note Registrar with respect to the Note, which shall be the District or a bank or trust company located within or without the State with corporate trust powers. The Note Registrar initially shall be the District acting through its Superintendent. The Note Registrar shall be responsible for maintaining the books for the registration of the transfer and exchange of the Note.

If the Note is presented for transfer, exchange or payment (if so required by the District or the Note Registrar) it shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the District or the Note Registrar, as the case may be, duly executed by the Holder or by his duly authorized attorney.

Upon surrender to the Note Registrar for transfer or exchange of the Note accompanied by an assignment or written authorization for exchange, whichever is applicable, duly executed by the Holder or his attorney duly authorized in writing, the Note Registrar shall deliver in the name of the Holder or the transferee or transferees, as the case may be, a new fully registered Note or Notes of authorized denominations and of the same maturity and interest rate for the aggregate principal amount which the Holder is entitled to receive.

The District and the Note Registrar may charge the Holder a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer after the first such exchange or transfer following the delivery of such Note. The Note Registrar or the District may also require payment from the Holder or his transferee, as the case may be, of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Note shall be delivered.

A new Note delivered upon any transfer or exchange shall be a valid obligation of the District, evidencing the same debt as the Note surrendered, shall be secured under this Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Note surrendered.

The District and the Note Registrar may treat the Holder of the Note as the absolute owner thereof for all purposes, whether or not such Note shall be overdue, and shall not be bound by any notice to the contrary. The person in whose name the Note is registered shall be deemed the Holder thereof by the District and the Note Registrar, and any notice to the contrary shall not be binding upon the District or the Note Registrar.

Whenever the Note shall be delivered to the Note Registrar for cancellation, upon payment of the principal amount thereof, or for replacement, transfer or exchange, such Note shall be cancelled and destroyed by the Note Registrar, and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the District.

SECTION 11. FORM OF NOTE. The text of the Note shall be in substantially the form of Exhibit A hereto, with such variations, omissions and insertions as may be necessary and desirable, and as may be authorized or permitted by this Resolution, particularly Section 14 hereof. The Superintendent's execution of the Note shall evidence the approval of any such changes.

SECTION 12. SECURITY FOR NOTE; SPECIAL OBLIGATION OF DISTRICT. To the extent necessary to pay when due the principal of and the interest on the Note, the Pledged Revenues are irrevocably pledged to the payment of the Note. The Note and the interest thereon do not constitute a general obligation or indebtedness of, or a pledge of the faith and credit of, the Board, the District, the County, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation but shall be payable from and secured solely by a lien upon and pledge of the Pledged Revenues in the manner provided herein and therein. If necessary, the Note is additionally payable from, but is not secured by, the Non-Ad Valorem Funds of the District. The Note and the obligation evidenced thereby shall not constitute a lien upon any property of or in the District other than the Pledged Revenues in the manner provided in this Resolution. No Holder of the Note shall ever have the right to compel the exercise of the ad valorem taxing power of the Board, the District, the County or the State or any political subdivision or agency thereof, other than the levy, collection and application of the Pledged Revenues, for the payment of the principal of or interest on the Note in the manner herein and in the Note provided.

SECTION 13. NOTE PAYMENT FUND. (A) There is hereby established the "The School District of St. Lucie County, Florida Tax Anticipation Note, Series 2012 Note Payment Fund" (the "Note Payment Fund") to be held by the District as a separate special fund for the benefit of the Holder of the Note; provided that the cash required to be accounted for therein may be pooled with other funds of the District so long as adequate accounting records are maintained to reflect and control the restricted purposes of such Note Payment Fund moneys. The Note Payment Fund shall be held in trust by the District for the sole benefit of the Holder, and the Holder is granted an express lien on the moneys and/or investments held in the Note Payment Fund. The holder of the Note shall have no lien upon all or any portion of the Non-Ad Valorem Funds unless and until

any such funds are deposited into the Note Payment Fund. The District covenants that it shall deposit sufficient monies or Permitted Investments into the Note Payment Fund, such that not later than the fifth business day preceding the Maturity Date, the balance on deposit therein will equal the amount of principal and interest becoming due on the Note (or the Advanced Amount thereunder) on the Maturity Date. If, on the fifth business day preceding the Maturity Date, and continuously thereafter, there is not on deposit in the Note Payment Fund an amount (including Permitted Investments and the income or earnings to be received thereon) equal to all principal of and interest on the Note (or the Advanced Amount thereunder) due at maturity, the Board shall designate the Note Payment Fund as its depository for the receipt of Pledged Revenues and continue such designation until such time as the amount in the Note Payment Fund, together with the earnings to be received thereon, is equal to all principal of and interest due on the Note (or the Advanced Amount thereunder) at maturity. The District further covenants that it will take no action and make no expenditures so as to impair its ability to make such required deposit to the Note Payment Fund.

(B) All investments held in the Note Payment Fund shall mature on or prior to the Maturity Date. All such investments shall be valued for the purpose of this Section 13 at their principal amount, and interest income or earnings to be received on or prior to the date of maturity of the Note shall be included in the Note Payment Fund balance for purposes of determining whether the requirements of this Section 13 have been met.

(C) Funds in the Note Payment Fund may be invested only in Permitted Investments. Earnings on investments held in the Note Payment Fund shall be retained and reinvested in the Note Payment Fund until the amount on deposit in the Note Payment Fund together with the earnings to be received thereon, is equal to the entire principal of and interest on the Note at maturity. Thereafter, such earnings may be withdrawn by the District and used in the District's discretion as provided by law except as provided in Subsection 13(D) hereof.

(D) Amounts in the Note Payment Fund, other than earnings permitted to be withdrawn by the District pursuant to Subsection 13(C) hereof, shall be applied solely to the payment of the principal of and interest on the Note. After all such principal and interest shall have been paid, or at such time as provision for payment thereof shall have been made pursuant to Section 17 hereof, any amounts remaining in the Note Payment Fund may be used in the District's discretion as provided by law.

(E) On or prior to the fifth business day preceding the Maturity Date, the District shall, if necessary, adjust the amount on deposit in the Note Payment Fund in order to ensure that sufficient funds are on deposit therein on the Maturity Date to pay the principal of and interest on the Note in full.

SECTION 14. ADVANCES OF FUNDS. In the event a draw down Note structure is utilized with respect to the Note, the following provisions shall apply:

(A) Upon the satisfaction of the terms and conditions set forth in this Resolution, the Purchaser shall be obligated to make up to \$10,000,000 of Advances to the District, upon receipt of an Advance Request. Upon each such Advance, the principal amount of the Note shall be deemed increased by the amount of such Advance and interest shall accrue on such increased principal amount from the date thereof.

(B) The Superintendent or his designee shall file an Advance Request at least two (2) days prior to the requested date of funding for such Advance.

(C) The form of the Note attached hereto as Exhibit A may be modified with such additions, deletions and modifications as may be necessary to accomplish the foregoing. Execution of the Note by the Chairman shall constitute approval of such changes.

SECTION 14. APPLICATION OF NOTE PROCEEDS. The proceeds of the sale of the Note shall first be applied by the District to pay the costs of preparation and issuance of the Note. The remaining proceeds from the sale of the Note shall be used by the District to pay the lawful operating expenses of the District as the Board shall direct. The Holders of the Note issued hereunder shall have no responsibility for the use of the proceeds of said Note, and the use of such Note proceeds by the District shall in no way affect the rights of such Noteholders.

SECTION 15. COVENANTS OF DISTRICT AND BOARD. The Board covenants on its behalf and on behalf of the District with the Holders so long as any portion of the Note is outstanding and unpaid, to the extent not already performed or accomplished, to:

(A) certify the operating millage set forth in the Operating Budget to the County Property Appraiser, order the County Property Appraiser to assess such millage, and collect the taxes paid and due to the Board from the County Tax Collector;

(B) not issue any (i) indebtedness of any kind payable from the Pledged Revenues which indebtedness is secured by a lien upon the Pledged Revenues superior to that of the Note, (ii) obligations payable from or secured by a lien on the moneys on deposit in the Note Payment Fund, and (iii) additional obligations having an equal lien upon the Pledged Revenues if the issuance of such additional indebtedness would violate the provisions of Section 1011.13(1), Florida Statutes. Subject to the foregoing limits, the Board may issue obligations having a first lien upon moneys of the District other than the Pledged Revenues and the moneys on deposit in the Note Payment Fund;

(C) except as otherwise expressly provided herein, not enter into any contract or other agreement and not to take any action by which the rights of any Holder might be impaired or diminished; and

(D) not modify or amend this Resolution or any resolution amendatory hereof or supplemental hereto, unless such modification or amendment would not, in the opinion of Note Counsel, have a material adverse effect on the interests of the Holders, without the consent in writing of Holders of fifty-one percent (51%) or more in principal amount of the Note then outstanding, provided that no modification or amendment shall permit, without the consent of all of the Holders, a change (i) in the maturity of the Note or a reduction in the rate of interest thereon, (ii) in the amount of the principal obligation evidenced by the Note, (iii) that would affect the unconditional promise of the District to collect the ad valorem tax revenues and to make the deposits to the Note Payment Fund required herein, (iv) that would reduce the percentage of Holders required above, for modifications or amendments hereto, (v) that would affect the tax covenants of the District contained in Section 16 hereof, or (vi) that would impair the obligation of the District to pay the principal of and interest on the Note at maturity or the remedies granted herein for the enforcement of such obligation. For the purpose of Holders' voting rights or consents, the Note owned by or held for the account of the District, directly or indirectly, shall not be counted.

(E) provide the Purchaser with annual financial statements and such other financial and operating information as the Purchaser shall reasonably request.

SECTION 16. TAX COMPLIANCE. Neither the Board, the District nor any third party over whom the Board or the District has control, will make any use of the proceeds of the Note or the Pledged Revenues at any time during the term hereof and thereof which would cause the Note to be "private activity bonds" or "arbitrage bonds" within the meaning of the Code. The Board, on behalf of the District, covenants throughout the term of the Note, to comply with the requirements of the Code and the Regulations, as such may be amended from time to time.

SECTION 17. DEFEASANCE. If, at any time the Board shall have paid, or shall have made provision for payment of the principal of and interest on the Note (or the Advanced Amount thereunder), then, and in that event, the pledge of and lien on the Pledged Revenues in favor of the Holders of the Note shall be no longer in effect and the Note shall no longer be deemed to be outstanding and unpaid for the purposes of this Resolution. For purposes of the preceding sentence, deposit of United States government obligations in irrevocable trust or pursuant to an irrevocable letter of instruction with the State Board of Administration of the State of Florida or with a bank or trust company with corporate trust powers for the sole benefit of the Holders of the Note, the principal of which, together with the earnings to be received thereon, will be sufficient to make timely payment of the principal of and interest on the Note (or the Advanced Amount thereunder), shall constitute provision for payment.

SECTION 18. EXECUTION OF DOCUMENTS. The Chairman, Vice Chairman, Superintendent, ex-officio Secretary of the Board, and their designee(s) are hereby authorized to execute and deliver such documents and certificates, including the

Note, in addition to those expressly authorized by this Resolution, and to take such further actions as they shall deem reasonably necessary or appropriate to effect the issuance of the Note and the other transactions contemplated by this Resolution.

Those officers are further authorized to make or effect any election, selection, choice, consent, approval, or waiver on behalf of the District with respect to the Note as the District is permitted or required to make or give under the federal income tax laws, for the purpose of assuring, enhancing or protecting favorable tax treatment or characterization of the Note or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties thereon, or making payments in lieu thereof, or obviating such amounts or payments, as determined by such officer. Any such action of such officer shall be in writing and signed by the officer.

SECTION 19. NOTE REGISTRAR AND PAYING AGENT AND AGREEMENT THEREFOR. The District shall act, through its Superintendent, as Note Registrar and Paying Agent hereunder. The Superintendent shall perform such duties as are more fully described herein and in the Note.

The Superintendent shall fulfill the functions of Note Registrar and Paying Agent with respect to the Note until a qualified successor shall have been designated by the District and accepted such duties, such designation to be subject to written notice to the Note Registrar and Paying Agent, or until the Note have been paid in full pursuant to the terms hereof and of the Note.

SECTION 20. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Resolution and the term "Event of Default" shall mean, whenever it is used in this Resolution, any one or more of the following events:

- (A) Failure by the District to pay the principal and interest on the Note when due.
- (B) The commencement by or against the District of any bankruptcy, insolvency or similar proceedings.
- (C) Any statement or representation made by the District in this Resolution or any other documents in relation thereto shall be proven untrue in any material respect.
- (D) Default by the District in the performance of any other material covenant, condition or agreement set forth herein.

SECTION 21. REMEDIES. (A) The Holder of the Note issued under the provisions of this Resolution 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 the Noteholder shall not have the right to declare the Note immediately due and payable.

(B) Upon an Event of Default under Subsections 21(A) or 21(B) of this Resolution, the Note shall bear interest at the default rate, if any, set forth in the Purchaser's proposal until all amounts then due under the Note are paid in full.

SECTION 22. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution and shall in no way affect the validity of all other provisions of this Resolution or of the Note issued hereunder.

SECTION 23. REPEALING CLAUSE. All resolutions or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 24. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

Passed and Adopted at a regular meeting this 23rd day of October, 2012.

**THE SCHOOL DISTRICT OF ST. LUCIE
COUNTY, FLORIDA**

(SEAL)

By: _____
Chairman

ATTEST:

By: _____
Superintendent/Secretary

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: _____
School Board Attorney

EXHIBIT A
PROMISSORY NOTE

EXHIBIT B

**PURCHASER'S DISCLOSURE LETTER
AND
TRUTH-IN-BONDING STATEMENT**

EXHIBIT C

FORM OF ADVANCE REQUEST

FORM OF ADVANCE REQUEST

ADVANCE REQUEST NO.

\$10,000,000

**The School District of St. Lucie County, Florida
Tax Anticipation Note, Series 2012**

TO: _____ (the "Bank")

This Advance Request is made pursuant to Section 14 of the Resolution adopted by The School Board of St. Lucie County, Florida on October 23, 2012 to pay certain operating costs of The School District of St. Lucie County, Florida. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Resolution.

The Bank is hereby directed to pay \$_____ to the District's account established with _____.

The District hereby certifies that it is not on the date hereof, and will not as a result of this Advance or the application of the proceeds thereof be, in default of any of the representations, warranties and covenants of the District contained in the Resolution and is not otherwise in default under the Resolution.

Dated: _____, 20__

**THE SCHOOL DISTRICT OF ST.
LUCIE COUNTY, FLORIDA**

By: _____
Authorized Representative