

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Refinancing the Tourist Development Tax Bonds

DEPARTMENT: Fiscal Services **DIVISION:** Administration

AUTHORIZED BY: Ray Hooper *RH* **CONTACT:** _____ **EXT.** 7172

Agenda Date <u>9/9/03</u> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> Public Hearing – 1:30 <input type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/>
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MOTION/RECOMMENDATION:

Request authorization to proceed and select a Bank for refinancing of the County's Tourist Development Tax Bonds.

BACKGROUND:

On July 25, 2003, the Board authorized staff and the Financial Advisor (Stifel, Nicolaus and Company, Inc) to proceed with a RFP to refinance the County's Tourist Development Tax Bonds. The RFP was issued and the County received four proposals on August 22, 2003. A summary of these proposals is enclosed.

Citizens Bank of Oviedo submitted an interest rate of 3.90% plus an origination fee of 1% and expenses not to exceed \$1000. Their rate is firm and no pre-payment penalty is required. The rates quoted by the other banks are indicative rates and their rates would be set 3 days prior to closing. In addition, in most cases the other banks required pre-payment penalties. Based on the Citizens Bank proposal and available monies in the Debt Service Fund for the outstanding bonds, there will be an average annual cash flow reduction of \$70,534. This results in a net present value savings of \$90,868, which is 4.99% of the refunded bonds. Attached are the Authorizing Resolution and Escrow Deposit Agreement.

Request the Board to approve the Resolution authorizing the refunding.

Reviewed by:
Co Atty: _____
DFS: <i>OK</i> _____
Other: _____
DCM: <i>[Signature]</i> _____
CM: <i>[Signature]</i> _____
File No. <u>CFSA01</u>

Summary of Bank Bids
SEMINOLE COUNTY TOURIST DEVELOPMENT TAX TERM LOAN

TERM:	9 years. Principal payable annually commencing 10/1/04 through 10/1/12.	Principal maturities beginning 10/1/04 through 10/1/12.	Principal maturities beginning 10/1/04 through 10/1/12. (9 year amortization)	9 year amortizing term loan. Level debt service
INTEREST PAYMENTS:	Payable semi-annually commencing 4/1/04 and each October 1 and April 1 thereafter. Interest on the outstanding balance of the loan will be calculated on a 30/360 day basis.	April 1 and October 1 of each year beginning April 2004.	April 1 and October 1 of each year beginning April 2004	Payable annually
PRE-PAYMENT PENALTY:	Should the County prepay during the life of the loan, the County may incur a breakage fee which is specified in Exhibit A of the bid.	Borrower has the right to terminate the Swap Agreement at any time however be subject to a penalty based upon a factor of interest rates at the point in time when the Swap Agreement is terminated.	No pre-payment penalty. No penalty for early principal payoff.	Payable semi-annually
INTEREST RATE:	4.08% Tax-Exempt, Non-BQ (Indicative) The fixed rate is an indication fixed rate based on current market conditions and subject to change. The Bank will set the rate three business days prior to closing at the then prevailing rate. However, should the County notify Wachovia by 3:00 pm on 8/22/03 that it is the loan provider subject only to formal award by County's council, the rate can be held until closing.	4.35% Tax-Exempt, Non-BQ (Indicative) Variable rate based upon 963/7% of 180 day LIBOR) plus 167 basis points. Fixed rate utilizing an Interest Rate Swap with BOA. Fixed rate option determined as of date of closing and is subject to change.	3.90% Tax-Exempt Fixed Rate	Option 1: 4.11% fixed (indicative) with standard pre-payment language. The actual rate shall be set at the close of business 3 days prior to the date of closing using the following formula: 6 year Swap Rate + .65%/1.20. Option 2: 4.28% fixed (indicative) with No pre-payment language. The actual rate shall be set at the close of business 3 days prior to the date of closing using the following formula: 6 year Swap Rate + .85%/1.20. Either Option calculated on a 30/360 day basis and is based on the Six Year Swap Rate as published by Bloomberg Financial Markets.
FEES:	Not to exceed \$2,000	Not to exceed \$2,500	1% Origination Fee Expenses not to exceed \$1,000	Not to exceed \$2,000
ALL-IN TIC:	4.11%	4.38%	4.12%	Option 1: 4.14% Option 2: 4.31%

SOURCES AND USES OF FUNDS

Seminole County, FL
Tourist Develop. Tax Revenue Note, Series 2003
Refunding of Outstanding Bonds (2003-2012)
Citizens Bank of Oviedo Rates
Outstanding Bonds Called on 11/1/03

Dated Date 09/11/2003
Delivery Date 09/11/2003

Sources:

Bond Proceeds:	
Par Amount	1,470,000.00
Other Sources of Funds:	
Bond Fund Accrual	193,127.50
1992 Debt Service Reserve	276,029.00
	<u>469,156.50</u>
	<u>1,939,156.50</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.75
SLG Purchases	1,879,096.00
	<u>1,879,096.75</u>
Delivery Date Expenses:	
Cost of Issuance	45,000.00
Bank Fee	14,700.00
	<u>59,700.00</u>
Other Uses of Funds:	
Additional Proceeds	359.75
	<u>1,939,156.50</u>

SUMMARY OF REFUNDING RESULTS

**Seminole County, FL
Tourist Develop. Tax Revenue Note, Series 2003
Refunding of Outstanding Bonds (2003-2012)
Citizens Bank of Oviedo Rates
Outstanding Bonds Called on 11/1/03**

Dated Date	09/11/2003
Delivery Date	09/11/2003
Arbitrage yield	3.899511%
Escrow yield	0.922467%
Bond Par Amount	1,470,000.00
True Interest Cost	3.899511%
Net Interest Cost	3.900000%
All-In TIC	4.794964%
Average Coupon	3.900000%
Average Life	5.331
Par amount of refunded bonds	1,820,000.00
Average coupon of refunded bonds	5.932738%
Average life of refunded bonds	5.031
PV of prior debt to 09/11/2003 @ 3.899511%	2,029,664.84
Net PV Savings	90,868.09
Percentage savings of refunded bonds	4.992752%
Percentage savings of refunding bonds	6.181503%

SUMMARY OF BONDS REFUNDED

Seminole County, FL
 Tourist Develop. Tax Revenue Note, Series 2003
 Refunding of Outstanding Bonds (2003-2012)
 Citizens Bank of Oviedo Rates
 Outstanding Bonds Called on 11/1/03

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Tourist Development Tax Revenue Bonds, Series 1992, 1992:					
SERIAL	10/01/2003	5.400%	140,000.00		
	10/01/2004	5.600%	145,000.00	11/01/2003	100.000
	10/01/2005	5.700%	155,000.00	11/01/2003	100.000
	10/01/2006	5.800%	165,000.00	11/01/2003	100.000
	10/01/2007	5.800%	175,000.00	11/01/2003	100.000
	10/01/2008	5.900%	185,000.00	11/01/2003	100.000
	10/01/2009	5.900%	195,000.00	11/01/2003	100.000
	10/01/2010	6.000%	205,000.00	11/01/2003	100.000
	10/01/2011	6.000%	220,000.00	11/01/2003	100.000
	10/01/2012	6.000%	235,000.00	11/01/2003	100.000
			1,820,000.00		

SAVINGS

Seminole County, FL
 Tourist Develop. Tax Revenue Note, Series 2003
 Refunding of Outstanding Bonds (2003-2012)
 Citizens Bank of Oviedo Rates
 Outstanding Bonds Called on 11/1/03

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 09/11/2003 @ 3.8995108%
10/01/2003	193,127.50		193,127.50	192,713.58
10/01/2004	243,695.00	195,515.00	48,180.00	46,582.95
10/01/2005	245,575.00	197,065.00	48,510.00	45,154.69
10/01/2006	246,740.00	196,410.00	50,330.00	45,033.93
10/01/2007	247,170.00	195,560.00	51,610.00	44,391.31
10/01/2008	247,020.00	199,515.00	47,505.00	39,299.78
10/01/2009	246,105.00	198,080.00	48,025.00	38,187.96
10/01/2010	244,600.00	196,450.00	48,150.00	36,800.26
10/01/2011	247,300.00	199,625.00	47,675.00	35,019.03
10/01/2012	249,100.00	197,410.00	51,690.00	36,481.36
	2,410,432.50	1,775,630.00	634,802.50	559,664.84

Savings Summary

PV of savings from cash flow	559,664.84
Less: Prior funds on hand	-469,156.50
Plus: Refunding funds on hand	359.75
Net PV Savings	90,868.09

BOND PRICING

Seminole County, FL
 Tourist Develop. Tax Revenue Note, Series 2003
 Refunding of Outstanding Bonds (2003-2012)
 Citizens Bank of Oviedo Rates
 Outstanding Bonds Called on 11/1/03

Bond Component	Maturity Date	# Bonds	Amount	Rate	Yield	Price
Serial Bonds:						
	10/01/2004	27	135,000	3.900%	3.900%	100.000
	10/01/2005	29	145,000	3.900%	3.900%	100.000
	10/01/2006	30	150,000	3.900%	3.900%	100.000
	10/01/2007	31	155,000	3.900%	3.900%	100.000
	10/01/2008	33	165,000	3.900%	3.900%	100.000
	10/01/2009	34	170,000	3.900%	3.900%	100.000
	10/01/2010	35	175,000	3.900%	3.900%	100.000
	10/01/2011	37	185,000	3.900%	3.900%	100.000
	10/01/2012	38	190,000	3.900%	3.900%	100.000
		294	1,470,000			

Dated Date	09/11/2003	
Delivery Date	09/11/2003	
First Coupon	04/01/2004	
Par Amount	1,470,000.00	
Original Issue Discount		
Production Underwriter's Discount	1,470,000.00	100.000000%
Purchase Price Accrued Interest	1,470,000.00	100.000000%
Net Proceeds	1,470,000.00	

BOND DEBT SERVICE

Seminole County, FL
Tourist Develop. Tax Revenue Note, Series 2003
Refunding of Outstanding Bonds (2003-2012)
Citizens Bank of Oviedo Rates
Outstanding Bonds Called on 11/1/03

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2003				
10/01/2004	135,000	3.900%	60,515	195,515
10/01/2005	145,000	3.900%	52,065	197,065
10/01/2006	150,000	3.900%	46,410	196,410
10/01/2007	155,000	3.900%	40,560	195,560
10/01/2008	165,000	3.900%	34,515	199,515
10/01/2009	170,000	3.900%	28,080	198,080
10/01/2010	175,000	3.900%	21,450	196,450
10/01/2011	185,000	3.900%	14,625	199,625
10/01/2012	190,000	3.900%	7,410	197,410
	1,470,000		305,630	1,775,630

ESCROW REQUIREMENTS

**Seminole County, FL
Tourist Develop. Tax Revenue Note, Series 2003
Refunding of Outstanding Bonds (2003-2012)
Citizens Bank of Oviedo Rates
Outstanding Bonds Called on 11/1/03**

Period Ending	Principal	Interest	Principal Redeemed	Total
10/01/2003	140,000.00	53,127.50		193,127.50
10/01/2004		8,224.58	1,680,000.00	1,688,224.58
	140,000.00	61,352.08	1,680,000.00	1,881,352.08

ESCROW DESCRIPTIONS

Seminole County, FL
Tourist Develop. Tax Revenue Note, Series 2003
Refunding of Outstanding Bonds (2003-2012)
Citizens Bank of Oviedo Rates
Outstanding Bonds Called on 11/1/03

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Sep 11, 2003:						
SLG	Certificate	10/01/2003	10/01/2003	193,127		
SLG	Certificate	11/01/2003	11/01/2003	1,685,969	0.960%	0.960%
				1,879,096		

SLGS Summary

SLGS Rates File	27AUG03
Total Certificates of Indebtedness	1,879,096.00

ESCROW COST

Seminole County, FL
 Tourist Develop. Tax Revenue Note, Series 2003
 Refunding of Outstanding Bonds (2003-2012)
 Citizens Bank of Oviedo Rates
 Outstanding Bonds Called on 11/1/03

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLG	10/01/2003	193,127		193,127.00
SLG	11/01/2003	1,685,969	0.960%	1,685,969.00
		1,879,096		1,879,096.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
09/11/2003	1,879,096	0.75	1,879,096.75	0.922467%
	1,879,096	0.75	1,879,096.75	

SEMINOLE COUNTY, FLORIDA

**TOURIST DEVELOPMENT TAX REVENUE NOTE,
SERIES 2003 (CITIZENS BANK OF OVIEDO) RESOLUTION**

ADOPTED September 9, 2003

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RESOLUTION NO. 03-R-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF SEMINOLE COUNTY, FLORIDA ACCEPTING THE PROPOSAL OF CITIZENS BANK OF OVIEDO TO PROVIDE THE COUNTY WITH A LOAN IN AN AGGREGATE PRINCIPAL AMOUNT OF \$1,470,000 TO CURRENTLY REFUND THE COUNTY'S OUTSTANDING TOURIST DEVELOPMENT TAX REVENUE BONDS, SERIES 1992; AUTHORIZING THE ISSUANCE OF THE SEMINOLE COUNTY, FLORIDA TOURIST DEVELOPMENT TAX REVENUE NOTE, SERIES 2003 (CITIZENS BANK OF OVIEDO), IN ORDER TO EVIDENCE SUCH LOAN; PLEDGING A PORTION OF THE MONEYS RECEIVED BY THE COUNTY FROM ITS ENACTED TOURIST DEVELOPMENT TAX TO SECURE PAYMENT OF THE SERIES 2003 NOTE; PROVIDING CERTAIN TERMS AND DETAILS OF THE SERIES 2003 NOTE; MAKING CERTAIN COVENANTS AND PROVIDING CERTAIN RIGHTS TO THE HOLDER OF THE SERIES 2003 NOTE; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT IN CONNECTION WITH THE REFUNDING OF THE SERIES 1992 BONDS; PROVIDING GENERAL AUTHORITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SEMINOLE COUNTY, FLORIDA, AS FOLLOWS:

ARTICLE I

GENERAL

SECTION 1.01. DEFINITIONS. When used in this Resolution, all capitalized terms shall have the meaning set forth below:

"**Act**" shall mean Chapter 125, Florida Statutes (including, particularly, Section 125.0104), as amended, the Ordinance and other applicable provisions of law.

"**Authorized Investments**" shall mean any investments that are lawful and valid pursuant to State law for government entities such as the Issuer.

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

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

"Chairman" shall mean the Chairman of the Board, or in his or her absence the Vice Chairman of the Board, and such other person as may be duly authorized to act on his or her behalf.

"Citizens Bank" shall mean Citizens Bank of Oviedo and its successors or assigns.

"Clerk" shall mean the Clerk of the Circuit Court and Ex-Officio Clerk of the Board of County Commissioners of the Issuer, and such other person as may be duly authorized to act on his or her behalf.

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

"County Attorney" shall mean the County Attorney of the Issuer, and such other person as may be authorized to act on his or her behalf.

"County Manager" shall mean the County Manager of the Issuer, and such other person as may be authorized to act on his or her behalf.

"Coverage Ratio" shall mean, as of any date of calculation thereof, a fraction, the numerator of which is equal to the Pledged Revenues for the applicable Test Period and the denominator of which is the Maximum Annual Debt Service.

"Determination of Taxability" shall mean the circumstance of interest paid or payable on the Series 2003 Note becoming includable for federal income tax purposes in the gross income of the Series 2003 Noteholder as a consequence of any act, omission or event whatsoever, including but not limited to matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of the Issuer. A Determination of Taxability will be deemed to have occurred upon (1) the receipt by the Issuer or the Series 2003 Noteholder 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 Series 2003 Note is includable in the gross income of the Series 2003 Noteholder; (2) the issuance of any public or private ruling of the Internal Revenue Service that any interest payable on the Series 2003 Note is includable in the gross income of the Series 2003 Noteholder; or (3) the receipt by the Issuer or the Series 2003 Noteholder of an opinion of Bond Counsel that any interest on

the Series 2003 Note has become includable in the gross income of the Series 2003 Noteholder for federal income tax purposes. For all purposes of this definition, a Determination of Taxability will be deemed to occur on the date as of which the interest on the Series 2003 Note is deemed includable in the gross income of the Series 2003 Noteholder. 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 income tax imposed on corporations.

"Enacted Tourist Development Tax" shall mean the total amount of tourist development tax moneys received by the Issuer pursuant to the Act, without regard to the amount of such tax pledged hereunder as Tourist Development Tax Revenues.

"Escrow Agent" shall mean The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida.

"Escrow Agreement" shall mean the Escrow Deposit Agreement between the Issuer and the Escrow Agent, substantially in the form attached hereto as Exhibit C.

"Escrow Fund" shall mean the fund created under the Escrow Agreement for the benefit of the holders of the Refunded Bonds.

"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.

"Holder" or **"Series 2003 Noteholder"** or **"Registered Owner"** shall mean the owner of the Series 2003 Note as set forth on the registration books of the Issuer. The original Holder of the Series 2003 Note shall be Citizens Bank.

"Interest Rate" shall mean a fixed rate per annum equal to 3.90%. Such Interest Rate may be adjusted pursuant to Section 2.06 hereof.

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

"Maximum Annual Debt Service" shall mean the maximum annual debt service to come due during any subsequent Fiscal Year on the Series 2003 Note and all other outstanding debt of the Issuer issued subsequently to the Series 2003 Note which is secured by the Pledged Revenues on a parity basis with the Series 2003 Note, and the proposed parity debt obligations for which the Coverage Ratio is being calculated. With respect to any variable rate debt, the interest rate used to determine Maximum Annual Debt Service shall be the actual interest rate in effect during the applicable Test Period.

"Maximum Corporate Tax Rate" shall mean the highest marginal United States federal income tax rate applicable to the taxable income of corporations without regard to

any increase in tax designed to normalize the rate for all income at the highest marginal tax rate, which as of the date hereof is 35%.

"Ordinance" shall mean Ordinance No. 88-9 of the Issuer enacted on August 9, 1988, as amended and supplemented, and particularly as amended by Ordinance 92-17 of the Issuer, enacted on October 13, 1992.

"Outstanding," when used with reference to the Series 2003 Note and as of any particular date, shall describe that portion of the Series 2003 Note theretofore and thereupon being delivered and which remains unpaid except any Series 2003 Note in lieu of which another Series 2003 Note has been issued under agreement to replace a lost, mutilated or destroyed Series 2003 Note pursuant to Section 2.04 hereof.

"Pledged Revenues" shall mean the Tourist Development Tax Revenues.

"Proposal" shall mean the Proposal submitted by Citizens Bank, a copy of which Proposal is attached hereto as Exhibit B.

"Refunded Bonds" shall mean the Issuer's outstanding Tourist Development Tax Revenue Bonds, Series 1992, dated December 1, 1992, maturing on and after October 1, 2004.

"Series 2003 Note" shall mean the Issuer's Seminole County, Florida Tourist Development Tax Revenue Note, Series 2003 (Citizens Bank of Oviedo), authorized pursuant to Section 2.01 hereof.

"State" shall mean the State of Florida.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution adopted and becoming effective in accordance with the terms of Section 6.01 hereof.

"Test Period" shall mean, as of the date of determination thereof, the immediately preceding twelve (12) month period.

"Tourist Development Tax Revenues" shall mean, unless additional security is granted to or conferred upon the Series 2003 Noteholder at the Issuer's sole discretion pursuant to Supplemental Resolution, the proceeds of the first cent and second cent tourist development tax levied pursuant to the Ordinance in accordance with Section 125.0104(3)(c), Florida Statutes (the "First Cent" and "Second Cent"). Unless specifically provided by Supplemental Resolution adopted in the sole discretion of the Issuer, "Tourist Development Tax Revenues" shall include only proceeds received by the Issuer from the levy of the First Cent and Second Cent; provided, that by Supplemental Resolution the Issuer may pledge and grant a lien on one or more cents of the Enacted Tourist Development Tax for the benefit of the Series 2003 Noteholders in substitution of

the pledge of and lien on an equal number of cents of the Enacted Tourist Development Tax. To the extent that the payments received by the Issuer from tourist development tax levied pursuant to Section 125.0104, Florida Statutes, are made in a monthly lump sum and are not divided between the percentages of tourist development tax levied by the Issuer, the Tourist Development Tax Revenues shall be an amount equal to the product received by multiplying the monthly proceeds of the Enacted Tourist Development Tax received by the Issuer by a fraction, the numerator of which is the percentage number of the Tourist Development Tax Revenues pledged hereby or by Supplemental Resolution (which shall initially be two), and the denominator of which is the percentage number at which the Enacted Tourist Development Tax is levied by the Issuer at the time of the calculation (which shall initially be three).

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.

SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the purchase and acceptance of the Series 2003 Note 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 Holder of the Series 2003 Note and shall be deemed to be and shall constitute a contract between the Issuer and the Holder from time to time of the Series 2003 Note. 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 Holder of the Series 2003 Note.

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

(A) That the Issuer previously issued the Refunded Bonds in order to finance costs associated with the acquisition and construction of a multipurpose athletic facility.

(B) That in order to restructure the Issuer's debt and achieving savings by refinancing the debt represented by the Refunded Bonds at a lower interest rate, the Issuer deems it necessary and desirable to refund the Refunded Bonds through the issuance of the Series 2003 Note, which Series 2003 Note shall be secured by a pledge of and lien on the Pledged Revenues in the manner and to the extent set forth herein.

(C) That _____ has, after review by the Issuer's financial advisor, provided the Issuer with its Proposal to refund the Refunded Bonds, and the Issuer deems it to be in its best interest to accept such Proposal.

(D) The Issuer shall never use or be required to use any ad valorem taxes for the payment of the Series 2003 Note. The Series 2003 Note shall not constitute a direct obligation of the Issuer or a pledge of its faith and credit, nor shall the Series 2003 Noteholder have any lien or encumbrance on any property in the Issuer, other than the Pledged Revenues.

(E) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2003 Note and the complexity of the transactions relating to such Series 2003 Note, it is in the best interest of the Issuer to issue the Series 2003 Note pursuant to Section 218.385(1), Florida Statutes. The Issuer acknowledges receipt of the information required by Section 218.385, Florida Statutes, in connection with such sale of the Series 2003 Note, including a "Truth-In-Bonding" statement. The aforementioned information is set forth in the copy of the letter of Citizens Bank attached hereto as Exhibit A.

SECTION 1.05. ACCEPTANCE OF PROPOSAL. The Issuer hereby accepts the Proposal of Citizens Bank to provide a loan to the Issuer in order to refund the Refunded Bonds.

SECTION 1.06. AUTHORIZATION OF REFUNDING OF REFUNDED BONDS. The Issuer hereby authorizes the refunding, on a current basis, of the Refunded Bonds.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION
AND FORM OF THE SERIES 2003 NOTE

SECTION 2.01. AUTHORIZATION OF THE SERIES 2003 NOTE. This Resolution creates an obligation of the Issuer in the aggregate principal amount of \$1,470,000 to be designated as "Seminole County, Florida Tourist Development Tax Revenue Note, Series 2003 (Citizens Bank of Oviedo)." The Series 2003 Note shall be dated as of September 11, 2003 and shall mature on October 1, 2012, subject to optional and mandatory prepayment prior to maturity as described herein. The Series 2003 Note shall be issued as one fully registered Series 2003 Note in the denomination of \$1,470,000 and shall bear interest from September 11, 2003, at the Interest Rate (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2004. The Interest Rate shall be adjusted as described in Section 2.06 herein. Such Interest Rate complies with and shall comply in all respects with the maximum interest rate provisions of Section 215.84, Florida Statutes. The Series 2003 Note shall be priced at 100% of its aggregate principal amount. The Series 2003 Note shall be payable as to principal, and interest by check or draft of the Issuer mailed to the Registered Owner of the Series 2003 Note as evidenced on the registration books maintained by the Issuer as of the close of business on the fifth business day next preceding an interest payment date; provided, that payments on the Series 2003 Note may be payable by bank wire transfer upon the request of the Registered Owner thereof; provided further, that the Series 2003 Noteholder shall present and surrender the Series 2003 Note to the Issuer for the final payment of the principal of the Series 2003 Note. Principal of and interest on the Series 2003 Note shall be payable in any coin or currency of the United States of America which, on the date of maturity of the Series 2003 Note, are legal tender for the payment of public and private debts.

SECTION 2.02. APPLICATION OF SERIES 2003 NOTE PROCEEDS. The proceeds derived from the sale of the Series 2003 Note shall, together with other legally available moneys of the Issuer, be deposited in the Escrow Fund and applied to refund the Refunded Bonds in accordance with the terms of the Escrow Agreement, in order to refund the Refunded Bonds, including all interest accrued thereon, on the redemption date.

SECTION 2.03. EXECUTION OF THE SERIES 2003 NOTE. The Series 2003 Note shall be executed in the name of the Issuer with the manual signature of the Chairman and the official seal of the Issuer shall be imprinted thereon, attested and countersigned with the manual signature of the Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2003 Note shall cease to be such officer of the Issuer before the Series 2003 Note so signed and sealed has been actually sold and delivered, the Series 2003 Note may nevertheless be sold and delivered as herein

provided and may be issued as if the person who signed or sealed the Series 2003 note had not ceased to hold such office. The Series 2003 Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of the Series 2003 Note shall hold the proper office of the Issuer, although at the date of the Series 2003 Note such person may not have held such office or may not have been so authorized.

SECTION 2.04. SERIES 2003 NOTE MUTILATED, DESTROYED, STOLEN OR LOST. In case the Series 2003 Note shall become mutilated, or be destroyed, stolen or lost, the Issuer shall issue and deliver a new Series 2003 Note of like tenor as the Series 2003 Note so mutilated, destroyed, stolen or lost, in exchange and substitution for the mutilated Series 2003 Note upon surrender and cancellation of such mutilated Series 2003 Note or in lieu of and substitution for the Series 2003 Note destroyed, stolen or lost, and upon the Holder furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. The Series 2003 Note so surrendered or otherwise substituted shall be cancelled by the Issuer. If the Series 2003 Note shall have matured or be about to mature, instead of issuing a substitute Series 2003 Note, the Issuer may pay the same or cause the Series 2003 Note to be paid, upon being indemnified as aforesaid, and if the Series 2003 Note be lost, stolen or destroyed, without surrender thereof.

SECTION 2.05. REGISTRATION OF SERIES 2003 NOTE. So long as the Series 2003 Note remains outstanding, the Issuer shall maintain and keep the address of the Registered Owner of the Note.

The Issuer may deem and treat the person in whose name the Series 2003 Note shall be registered as the absolute owner of the Series 2003 Note, whether the Series 2003 Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2003 Note and for all other purposes, and all such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon the Series 2003 Note to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

The transfer of the Series 2003 Note shall be registrable only upon the books of the Issuer, at the office of the Clerk, under such reasonable regulations as the Issuer may prescribe, by the Registered Owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Clerk duly executed and guaranteed by the Registered Owner or his duly authorized attorney. Upon the registration of transfer of the Series 2003 Note, the Issuer shall issue in the name of the transferee a new Note of the same principal amount and maturity as the surrendered Series 2003 Note. For every such registration of transfer, the Issuer may charge the registered owner a reasonable amount to reimburse it for any tax,

fee, expense or other governmental charge required to be paid with respect to such transfer.

SECTION 2.06. ADJUSTMENTS TO INTEREST RATE. (A) In the event of a Determination of Taxability, the Interest Rate on the Series 2003 Note shall be adjusted to such rate as shall provide the Series 2003 Noteholder with the same rate of return that the Series 2003 Noteholder would have otherwise received on the Series 2003 Note taking into account the increased taxable income of the Series 2003 Noteholder as a result of such Determination of Taxability (the "Adjusted Rate"); provided, however, such Adjusted Rate shall never exceed the maximum rate allowable by law. Immediately upon a Determination of Taxability, the Issuer agrees to pay to the Series 2003 Noteholder subject to such Determination of Taxability the "Additional Amount." "Additional Amount" means (i) the difference between (a) interest on the Series 2003 Note for the period commencing on the date on which the interest on such Series 2003 Note (or portion thereof) loses its tax-exempt status and ending on the earlier of the date such Series 2003 Note ceased to be outstanding or such adjustment is no longer applicable to such Series 2003 Note (the "Taxable Period") at a rate per annum equal to the Adjusted Rate, and (b) the aggregate amount of interest payable on such Series 2003 Note for the Taxable Period under the provisions of such Series 2003 Note without considering the Determination of Taxability, plus (ii) any penalties and interest paid or payable by such Series 2003 Noteholder to the Internal Revenue Service by reason of such Determination of Taxability.

(B) If the Maximum Corporate Tax Rate as applicable to the Series 2003 Noteholder decreases or increases from 35%, the Interest Rate otherwise borne by the Series 2003 Note shall be increased or decreased, respectively, to the product obtained by multiplying the Interest Rate otherwise borne by the Series 2003 Note by a fraction, the numerator of which is 1 minus the Maximum Corporate Tax Rate as decreased or increased, as the case may be, and the denominator of which is .65.

(C) The Series 2003 Noteholder shall promptly notify the Issuer in writing of any adjustments pursuant to this Section 2.06. Such adjustments shall become effective as of the effective date of the event causing such adjustment. Adjustments pursuant to this Section 2.06 may be retroactive. The Series 2003 Noteholder shall certify to the Issuer in writing the additional amount, if any, due to the Series 2003 Noteholder as a result of an adjustment pursuant to this Section 2.07. Notwithstanding any provision of this Section 2.06 to the contrary, in no event shall the Interest Rate on the Series 2003 Note exceed the maximum rate permitted by law.

(D) The provisions set forth in this Section 2.06 shall survive payment of the Series 2003 Note until such time as the federal statute of limitations under which the interest on the Series 2003 Note could be declared taxable under the Code shall have expired.

SECTION 2.07. FORM OF THE SERIES 2003 NOTE. The text of the Series 2003 Note shall be in substantially the following form with such omissions, insertions and variations as may be necessary or desirable and approved by the Chairman or the Clerk prior to the issuance thereof (which necessity or desirability and approval shall be presumed by such officer's execution of the Series 2003 Note and the Issuer's delivery of the Series 2003 Note to the purchaser thereof):

**UNITED STATES OF AMERICA
STATE OF FLORIDA
SEMINOLE COUNTY, FLORIDA
TOURIST DEVELOPMENT TAX REVENUE NOTE,
SERIES 2003 (CITIZENS BANK OF OVIEDO)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
3.90%	_October 1, 2012	September 11, 2003

Registered Holder: CITIZENS BANK OF OVIEDO

Principal Amount: ONE MILLION FOUR HUNDRED SEVENTY AND 00/100 DOLLARS

Seminole County, Florida, a political subdivision of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, subject to prior mandatory prepayment as provided herein, 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 payment date to which interest has been paid at the Interest Rate per annum set forth and described in the hereinafter defined Resolution on April 1 and October 1 of each year commencing April 1, 2004, until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

Such Principal Amount and interest on this Series 2003 Note 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. Payment of each installment of principal and interest shall be made to the person in whose name this Series 2003 Note shall be registered on the registration books of the Issuer, at the close of business on the date which shall be the fifth business day next preceding each payment date and shall be paid by a check or draft of the Issuer mailed to

such Registered Holder at the address appearing on such registration books or, at the request of such Registered Holder, by bank wire transfer for the account of such Holder; provided, that the Series 2003 Noteholder shall present and surrender the Series 2003 Note to the Issuer for the final payment of the principal of the Series 2003 Note.

This Series 2003 Note is issued for the principal purpose of refunding certain outstanding indebtedness of the Issuer. The Series 2003 Note is being issued under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, Ordinance No. 88-9 of the Issuer enacted on August 9, 1988, as amended and supplemented, and particularly as amended by Ordinance 92-17 of the Issuer, enacted on October 13, 1992, and other applicable provisions of law (collectively, the "Act"), and a resolution duly adopted by the County Commission of the Issuer on September 9, 2003 (the "Resolution"), and is subject to all the terms and conditions of the Resolution.

The Series 2003 Note and the interest hereon are payable from and secured by a lien upon and a pledge of the Pledged Revenues in accordance with the terms of the Resolution.

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS SERIES 2003 NOTE THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS SERIES 2003 NOTE AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. THIS SERIES 2003 NOTE AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED REVENUES TO THE EXTENT PROVIDED IN THE RESOLUTION.

The Series 2003 Note may be prepaid at the option of the Issuer, from any moneys legally available therefor, upon notice as provided in the Resolution and described below, in whole or in part at any time or from time to time, by paying to the Registered Holder hereof all or part of the principal amount of the Series 2003 Note to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, and without premium. In the event any portion of the Series 2003 Note is optionally prepaid, the amount so prepaid shall be applied as a credit against the latest scheduled amortization installment as set forth below.

The Series 2003 Note is subject to mandatory prepayment prior to maturity at a Redemption Price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for prepayment, on October 1 of each year, without premium, as follows:

<u>Amortization Date</u>	<u>Principal Amount</u>
October 1, 2004	\$135,000
October 1, 2005	145,000
October 1, 2006	150,000
October 1, 2007	155,000
October 1, 2008	165,000
October 1, 2009	170,000
October 1, 2010	175,000
October 1, 2011	185,000
October 1, 2012*	190,000

*Final maturity.

Optional prepayment of the Series 2003 Note shall be made as provided in the Resolution upon notice given by first class mail sent at least ten (10) days prior to the prepayment date. In the event that less than the full principal amount hereof shall have been called for optional prepayment, the Registered Holder hereof shall make applicable notations on the Series 2003 Note to evidence such prepayment and shall promptly transmit an acknowledgment to the Issuer indicating the amount and date of such prepayment and the amount and date of the next scheduled payment.

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 the Series 2003 Note, the nature, manner and extent of enforcement of such pledge and covenants, 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 the Series 2003 Note, 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 Series 2003 Note does not violate any constitutional or statutory limitations or provisions.

Neither the members of the County Commission of the Issuer nor the Chairman nor the Clerk nor any person executing the Series 2003 Note shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

IN WITNESS WHEREOF, Seminole County, Florida has issued the Series 2003 Note and has caused the same to be executed by the manual signature of its Chairman, its official seal to be affixed hereon, and countersigned and attested to by the manual signature of its Clerk, all as of the Date of Original Issue.

SEMINOLE COUNTY, FLORIDA

(SEAL)

Chairman of the Board of County
Commissioners

ATTEST:

By: _____
Clerk to the Board of County Commissioners

ARTICLE III
PREPAYMENT OF THE SERIES 2003 NOTE

SECTION 3.01. OPTIONAL PREPAYMENT. (A) The Series 2003 Note may be prepaid at any time prior to its maturity, at the option of the Issuer, from any moneys legally available therefor, upon notice as provided herein, in whole or in part at any time or from time to time, without a prepayment penalty, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment.

(B) Any prepayment shall be made on such date and in such principal amount as shall be specified by the Issuer in a written notice provided to the Series 2003 Noteholder not less than ten (10) days prior thereto by first class mail. Notice having been given as aforesaid, the amount of principal of the Series 2003 Note stated in such notice or the whole thereof, as the case may be, shall become due and payable on the date of prepayment stated in such notice, together with interest accrued and unpaid to the date of prepayment on the principal amount then being paid. If on the date of prepayment moneys for the payment of the principal amount to be prepaid on the Series 2003 Note, together with interest to the date of prepayment on such principal amount, if any, shall have been paid to the Series 2003 Noteholder as above provided, then from and after the date of prepayment, interest on such principal amount of the Series 2003 Note shall cease to accrue. If said money shall not have been so paid on the date of prepayment, such principal amount of the Series 2003 Note shall continue to bear interest until payment of thereof at the Interest Rate.

(C) In the event any portion of the Series 2003 Note is optionally prepaid pursuant to this Section 3.01, the amount so prepaid shall be applied as a credit against the latest scheduled amortization installment as set forth in Section 3.02 hereof. The Series 2003 Noteholder shall make a notation on the Series 2003 Note indicating the amount and date of such prepayment and shall promptly transmit an acknowledgment to the Issuer indicating the amount and date of such prepayment and the amount and date of the next scheduled payment.

SECTION 3.02. MANDATORY PREPAYMENT. The Series 2003 Note is subject to mandatory prepayment prior to maturity at a Redemption Price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for prepayment, on October 1, 2004, and thereafter on each October 1, without premium, as follows:

<u>Amortization Date</u>	<u>Principal Amount</u>
October 1, 2004	\$135,000
October 1, 2005	145,000
October 1, 2006	150,000
October 1, 2007	155,000
October 1, 2008	165,000
October 1, 2009	170,000
October 1, 2010	175,000
October 1, 2011	185,000
October 1, 2012*	190,000

*Final maturity.

ARTICLE IV
SECURITY; COVENANTS OF THE ISSUER

SECTION 4.01. SERIES 2003 NOTE NOT TO BE INDEBTEDNESS OF ISSUER. The Series 2003 Note shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of any constitutional or statutory provision, but shall be a special obligation of the Issuer, payable from and secured by a lien upon and pledge of the Pledge Revenues in accordance with the terms of this Resolution. No Holder of the Series 2003 Note shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2003 Note, or be entitled to payment of the Series 2003 Note from any moneys of the Issuer, except from the Pledged Revenues, in the manner provided herein.

SECTION 4.02. SECURITY FOR THE SERIES 2003 NOTE. The payment of the principal of and interest on the Series 2003 Note shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Revenues. The Issuer does hereby irrevocably pledge the Pledged Revenues to the payment of the principal of and interest on the Series 2003 Note in accordance with the provisions hereof. Except as otherwise provided herein, the Pledged Revenues 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. PAYMENT OF THE SERIES 2003 NOTE. The Issuer agrees to pay, solely from Pledged Revenues, on the dates designated for payment of any principal of or interest on the Series 2003 Note, sufficient monies to pay such principal or interest. The Issuer shall utilize such monies for payment of the principal of and interest on the Series 2003 Note when due.

SECTION 4.04. REBATE ACCOUNT. The Issuer covenants and agrees to establish a special rebate account if it is determined that the Issuer has any rebate obligations under the Code. Amounts on deposit in such account, if any, 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 Issuer) and the Series 2003 Noteholder shall have no right to have the same applied for debt service on the Series 2003 Note. The Issuer agrees to undertake all actions required of it in its arbitrage certificate related to the Series 2003 Note, including, but not limited to:

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

(B) depositing the amount determined in clause (A) above into the rebate account;

(C) paying on the dates and in the manner required by the Code to the United States Treasury from the rebate account 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 4.05 as shall be required by the Code, as well as evidence of the fair market value of any investments purchased with proceeds of the Series 2003 Note.

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

SECTION 4.05. INVESTMENTS. Any moneys set aside by the Issuer to pay debt service on the Series 2003 Note 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. Any such moneys may be invested and reinvested in Authorized Investments maturing not later than the date on which the moneys therein will be needed for the purposes of such fund. All investments shall be valued at cost.

SECTION 4.06. FEDERAL INCOME TAX COVENANTS. The Issuer covenants with the Holder of the Series 2003 Note that it shall not use the proceeds of the Series 2003 Note in any manner which would cause the interest on the Series 2003 Note to be included in gross income for purposes of federal income taxation.

The Issuer covenants with the Series 2003 Noteholder that neither the Issuer nor any person under its control or direction will make any use of the proceeds of the Series 2003 Note (or amounts deemed to be proceeds under the Code) in any manner which would cause the Series 2003 Note to be an "arbitrage bond" within the meaning of Section 148 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 the Series 2003 Note to be included in gross income for purposes of federal income taxation.

The Issuer hereby covenants with the Series 2003 Noteholder that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on the Series 2003 Note from gross income 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.

SECTION 4.07. ANNUAL AUDIT AND BUDGET. The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance

with applicable law. The annual financial statements shall be prepared in conformity with generally accepted accounting principles consistently applied to governmental entities such as the Issuer. A copy of the audited financial statements for each Fiscal Year shall be furnished to the Series 2003 Noteholder within 210 days after the end of each Fiscal Year. The Issuer shall also provide the Series 2003 Noteholder each Fiscal Year with a copy of its annual budget within 90 days after the final adoption of such budget.

SECTION 4.08. OTHER MONEYS. The Issuer may, in its sole discretion, utilize other legally available moneys, in addition to the Pledged Revenues, to pay the principal of and interest on the Series 2003 Note including, without limitation, additional portions of the Enacted Tourist Development Tax.

SECTION 4.09. FEES. The Issuer shall pay the legal fees and expenses of counsel to Citizens Bank in an amount not to exceed \$1,000.

SECTION 4.10. ADDITIONAL DEBT. So long as the Series 2003 Note is outstanding under this Resolution, the Issuer covenants and agrees that it shall not issue any debt obligations payable from the Pledged Revenues on a parity with the Series 2003 Note if the Coverage Ratio would be less than 1.50 at the time of issuance of such debt obligations. The Issuer shall provide the Series 2003 Noteholder with a certification evidencing compliance with this Section 4.10 prior to the issuance of any such debt obligations.

SECTION 4.11. COLLECTION OF TOURIST DEVELOPMENT TAX REVENUES. The Issuer covenants to do all things necessary as required by the Act to maintain the levy and the collection of the Tourist Development Tax Revenues. If for any reason the Ordinance is found not legally sufficient to produce the full amount of Tourist Development Tax Revenues which such Tax might produce in order to meet all the requirements of this Resolution, the Issuer shall adopt such amending or replacement ordinance or ordinances as may be necessary for such purpose. The Issuer covenants not to decrease the rate at which the Tourist Development Tax Revenues are collected.

SECTION 4.12. NO IMPAIRMENT. The pledging of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the Board. In the event that the Ordinance automatically expires pursuant to Section 125.0104(7), Florida Statutes, or for any other reason, and the Series 2003 Note is still Outstanding pursuant to this Resolution, the Issuer agrees to immediately reenact the Ordinance with only such changes as shall not materially adversely affect the Noteholders.

ARTICLE V
DEFAULTS AND REMEDIES

SECTION 5.01. DEFAULTS DEFINED. The following shall be "Defaults" under this Resolution and the term "Default" shall mean, whenever it is used in this Resolution, any one or more of the following events:

(A) Failure by the Issuer to pay the principal of and interest on the Series 2003 Note as the same shall become due and payable.

(B) Failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 5.01(a), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Issuer by the Series 2003 Noteholder. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected, provided such period shall not exceed 120 days without the written consent of the Series 2003 Noteholder.

(C) The dissolution or liquidation of the Issuer, or the initiation by or against the Issuer of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief.

SECTION 5.02. REMEDIES ON DEFAULT. The Holder of the Series 2003 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 Holder shall not have the right to declare the Series 2003 Note immediately due and payable.

SECTION 5.03. REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to the Series 2003 Noteholder 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 5.04. WAIVER OF DEFAULT. No delay or omission of the Series 2003 Noteholder 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 this Section 5.02

hereof to the Series 2003 Noteholder may be exercised from time to time, and as often as may be deemed expedient.

ARTICLE VI
SUPPLEMENTAL RESOLUTIONS

SECTION 6.01. SUPPLEMENTAL RESOLUTIONS WITH THE SERIES 2003 NOTEHOLDER CONSENT. The Issuer, from time to time and at any time, may adopt resolutions amendatory or supplemental hereto (which resolutions shall thereafter form a part hereof) for any purpose; provided, however, the Issuer must obtain the written consent of the Series 2003 Noteholder prior to the adoption thereof.

ARTICLE VII
MISCELLANEOUS

SECTION 7.01. SERIES 2003 NOTE EVIDENCES A LOAN. The Series 2003 Note issued hereunder evidences a loan made by Citizens Bank to the Issuer. Through its acceptance of the Series 2003 Note hereunder, Citizens Bank acknowledges that it intends to hold the Series 2003 Note until maturity and agrees that if it sells, assigns or otherwise transfers the Series 2003 Note prior to its maturity, it shall comply in all respects with all applicable securities laws, rules and regulations and blue sky laws and any other applicable laws, rules or regulations regarding disclosure and registration and shall provide the Issuer with an opinion of counsel to such effect.

SECTION 7.02. AUTHORIZATION OF EXECUTION AND DELIVERY OF ESCROW AGREEMENT. The Chairman and Clerk are authorized to execute and deliver to the Escrow Agent the Escrow Agreement and such other documents and instruments as shall, in the opinion of Bond Counsel, the County Attorney and the Issuer's Financial Advisor, be necessary to reflect and accomplish the refunding of the Refunded Bonds including, without limitation, agreements relating to the delivery of Refunding Securities in order to establish a more efficient escrow. The Escrow Agreement shall be in substantially the form attached hereto as Exhibit C, with such changes, amendments, modifications, omissions and additions as may be approved by the Chairman, his execution being evidence of such approval.

SECTION 7.03. APPOINTMENT OF ESCROW AGENT. The Bank of New York Trust Company of Florida, N.A., Jacksonville, Florida is hereby appointed Escrow Agent.

SECTION 7.04. GENERAL AUTHORITY. The members of the Board and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Resolution, or desirable or consistent with the requirements hereof for the full punctual and complete performance of all the terms, covenants and agreements contained herein or in the Series 2003 Note, and each member, employee, attorney and officer of the Issuer, the Chairman, the County Manager, the County Attorney, the finance director of the Issuer and the Clerk are hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereunder.

SECTION 7.05. 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 Series 2003 Note issued hereunder.

SECTION 7.06. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions or parts thereof in conflict herewith are hereby superseded and repealed to the extent of such conflict.

SECTION 7.07. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED, this 9th day of September, 2003.

**BOARD OF COUNTY COMMISSIONERS
OF SEMINOLE COUNTY, FLORIDA**

(SEAL)

By: _____
Chairman of the Board of County
Commissioners

ATTEST:

Clerk of the Board of County Commissioners

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

County Attorney

EXHIBIT A

**CITIZENS BANK'S DISCLOSURE LETTER
AND
TRUTH-IN-BONDING STATEMENT**

EXHIBIT B

PROPOSAL OF CITIZENS BANK

EXHIBIT C

FORM OF ESCROW AGREEMENT