TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: William W. Ackerman, CPA, Budget & Finance Director/797-1050

PREPARED BY: William W. Ackerman, CPA, Budget & Finance Director

SUBJECT: RESOLUTION

AFFECTED DISTRICT: Town wide

ITEM REQUEST: **Schedule for Council Meeting**

TITLE OF AGENDA ITEM: BOND REFUNDING - A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE ISSUANCE OF PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2008A OF THE TOWN OF DAVIE, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,825,000 FOR THE PURPOSE OF REFUNDING THE TOWN'S OUTSTANDING PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 1999; AWARDING THE SALE OF THE BONDS TO WACHOVIA BANK, NATIONAL ASSOCIATION; PROVIDING FOR SECURITY FOR THE BONDS; CONTAINING OTHER PROVISIONS RELATING TO THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

REPORT IN BRIEF: As the Council is aware, long term interest rates are at historically low levels. This resolution authorizes the Town to issue an amount not to exceed $1,825,000 of Public Improvement Revenue Refunding Bonds, Series 2008A for the purpose of refunding the Town's outstanding Public Improvement Revenue, Series 1999. The purpose of the refunding is to convert the variable interest rate debt into fixed rate debt to take advantage of the current low interest rate environment. This will reduce the Town's interest rate risk exposure. Over the life of the bonds this change from a variable to a fixed rate is projected to save the Town money in its debt service payments.

PREVIOUS ACTIONS: On December 19, 1999, the Town of Davie issued its $5,000,000 Public Improvement Revenue Bonds, Series 1999

CONCURRENCES: Town Administrator's Office, Town Attorney, Bond Counsel and Financial Advisor.

FISCAL IMPACT: not applicable

Has request been budgeted? n/a

RECOMMENDATION(S): Motion to approve the resolution

Attachment(s): Resolution

RESOLUTION NO. R 2008-_____

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE ISSUANCE OF PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2008A OF THE TOWN OF DAVIE, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,825,000 FOR THE PURPOSE OF REFUNDING THE TOWN'S OUTSTANDING PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 1999; AWARDING THE SALE OF THE BONDS TO WACHOVIA BANK, NATIONAL ASSOCIATION; PROVIDING FOR SECURITY FOR THE BONDS; CONTAINING OTHER PROVISIONS RELATING TO THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on December 19, 1999, the Town of Davie, Florida (the "Town") issued its $5,000,000 Public Improvement Revenue Bonds, Series 1999 (the "Prior Bonds"), the interest rate on which was a variable rate; and

WHEREAS, in order to provide fixed rate financing and thereby eliminate interest rate risk inherent in variable rate financing in a volatile municipal bond market, the Council desires to authorize the issuance of revenue refunding bonds in an aggregate principal amount of One Million Eight Hundred Twenty-Five Thousand Dollars ($1,825,000) for the purpose of refunding the Prior Bonds; and

WHEREAS, the Town Council (the "Council") hereby determines to accept a commitment (the "Commitment") from Wachovia Bank, National Association (the "Bank") to purchase the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. AUTHORIZATION OF BONDS. Pursuant to the provisions of this Resolution, revenue refunding bonds of the Town to be designated "Town of Davie, Florida, Public Improvement Revenue Refunding Bonds, Series 2008A" (the "Bonds"), are hereby authorized to be issued in an aggregate principal amount of One Million Eight Hundred Twenty-Five Thousand Dollars ($1,825,000) for the purpose of refunding the Prior Bonds.

SECTION 2. TERMS OF THE BONDS.

(a) General Provisions. The Bonds shall be issued in fully registered form without coupons. The principal of and interest on the Bonds shall be payable when due in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owners of the Bonds ("Owners") or their legal representatives at the addresses of the Owners as they appear on the registration books of the Town.

The Bonds shall be dated the date of their issuance and delivery and shall be initially issued as one Bond in the denomination of $1,825,000. The Bonds shall mature on September 1, 2014.

THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE PAYABLE FROM AND SECURED SOLELY BY LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE TOWN, AS DEFINED IN THIS RESOLUTION. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THE BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE TOWN, AND THE HOLDERS OF THE BONDS SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

(b) Interest Rate. Subject to adjustment as provided below, the Bonds shall bear interest on the outstanding principal balance from their date of issuance payable semiannually on each April 1 and October 1 (the "Interest Payment Dates"), commencing October 1, 2008, at an interest rate equal to the 7 year U.S. Dollar Swap Offering Rate (the "Index Rate"), determined as of three business days prior to the date of issuance of the Bonds, minus 70 basis points (the "Fixed Rate"). The "Index Rate" is currently published at the website: http://federalreserve.gov/releases/h15/current/.

Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve (12) thirty-day months.

Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred, the rate of interest on the Bonds shall be increased to a rate per annum specified in the executed Bonds (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Town on the next

succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested by either the Town or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Town to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof.

Adjustment of Interest Rate for Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Bonds or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on the Bonds or causes a reduction in yield on the Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Bonds, including without limitation, a change in the maximum effective corporate tax rate in effect on the date of issuance of the Bonds (35%), the imposition of any excise tax or surcharge thereon, or (b) if, as result of action by any pubic body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owners or any former Owners of the Bonds (other than by reasons of change described above or by reason of any action or failure to act on the part of any Owner or any former Owner of the Bonds) by reason of the ownership of the Bonds, (i) the interest rate on the Bonds will be adjusted to cause the yield on the Bonds, after payment of any increase in tax, to equal what the yield on the Bonds would have been in the absence of such change in law, rule, regulation or executive order, or such action by any pubic body or governmental agency, and (ii) the Town shall reimburse any such Owner within five (5) days after receipt by the Town of written demand for such payment, and the Town agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change.

Adjustment of Interest Rate Upon an Event of Default. If an "event of default" occurs under Section 18 of this Resolution, the interest rate on the Bonds shall immediately be adjusted to a rate equal to the per annum interest rate announced by Wachovia Bank, National Association, from time to time, as its "Prime Rate," plus two percent (2%).

(c) Prepayment Provisions

(i) Mandatory Prepayment. The principal of the Bonds shall be subject to mandatory prepayment in annual installments on each October 1 (except that the final installment shall be made on September 1, 2014), commencing October 1, 2008 (each a "Scheduled Due Date") in the amounts set forth in Exhibit "B" attached hereto.

(ii) Optional Prepayment. The Bonds are subject to optional prepayment as follows in whole or in part at any time at a price of par, plus accrued interest to the date of prepayment, plus a premium equal to the "Prepayment Penalty"

described in Exhibit "A" attached hereto, upon written notice to the Owners thereof given by the Town at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied in inverse order of the maturity of principal installments.

In the event that there is more than one Owner of the Bonds, (A) the Town shall determine the amount of each Bond to be redeemed, and (B) the Town shall give notice to each Owner of the Bonds at least five (5) days prior to the date of redemption of the amount of each Bond to be redeemed.

SECTION 3. EXECUTION OF BONDS. The Bonds shall be signed in the name of the Town by the Mayor, the Vice Mayor or any member of the Council, and the Town Clerk or the Assistant Town Clerk, and its seal shall be affixed thereto or imprinted or reproduced thereon. The signatures of the Mayor, Vice Mayor, any member of the Council, the Town Clerk and the Assistant Town Clerk on the Bonds may be manual or facsimile signatures, provided that the signature of one of such officers shall be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Town before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed and sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Town by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of issuance of such Bonds such person may not have held such office or may not have been so authorized.

SECTION 4. NEGOTIABILITY, REGISTRATION AND CANCELLATION. The Town shall serve as Registrar and as such shall keep books for the registration of Bonds and for the registration of transfers of Bonds. Bonds may be transferred or exchanged upon the registration books kept by the Town, upon delivery to the Town, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Town and with guaranty of signatures satisfactory to the Town, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. Bonds may be exchanged for one or more Bonds of the same aggregate principal amount and maturity and in denominations in integral multiples of $250,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Town.

The Town may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Town as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as they become due and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the

liability upon such Bond to the extent of the sum or sums so paid.

In all cases in which Bonds are transferred or exchanged in accordance with this Section, the Town shall execute and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Town. There shall be no charge for any such exchange or transfer of Bonds, but the Town may require the payment of a sum sufficient to pay any tax, fee or other governmental charge (other than a tax, fee or charge imposed by the Town) required to be paid with respect to such exchange or transfer. The Town shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment date on such Bonds.

All Bonds, the principal and interest of which has been paid, either at or prior to maturity, shall be delivered to the Town within thirty (30) days of when such payment is made, and shall thereupon be canceled.

In case part but not all of an outstanding Bond shall be prepaid, such Bond shall not be surrendered in exchange for a new Bond, but the Town shall make a notation indicating the remaining outstanding principal of the Bonds upon the registration books. The Bond so redesignated shall have the remaining principal as provided on such registration books and shall be deemed to have been issued in the denomination of the outstanding principal balance, which shall be an authorized denomination.

SECTION 5. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Town may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in the case of a mutilated Bond, in exchange and substitution for such mutilated Bond upon surrender of such mutilated Bond or in the case of a destroyed, stolen or lost Bond in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner furnishing the Town proof of his ownership thereof, satisfactory proof of loss or destruction thereof and satisfactory indemnity, complying with such other reasonable regulations and conditions as the Town may prescribe and paying such expenses as the Town may incur. The Town shall cancel all mutilated Bonds that are surrendered. If any mutilated, destroyed, lost or stolen Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Town may pay the principal of and interest on such Bond upon the Owner complying with the requirements of this paragraph.

Any such duplicate Bonds issued pursuant to this section shall constitute original contractual obligations of the Town whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the extent as all other Bonds issued hereunder.

SECTION 6. FORM OF BONDS. The text of the Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution.

No. R-

UNITED STATES OF AMERICA

STATE OF FLORIDA

TOWN OF DAVIE

PUBLIC IMPROVEMENT REVENUE REFUNDING BOND
SERIES 2008A

Registered Owner:

Principal Amount: One Million Eight Hundred Twenty-Five Thousand Dollars ($1,825,000)

KNOW ALL MEN BY THESE PRESENTS, that the Town of Davie, Florida (the "Town"), for value received, hereby promises to pay in installments to the Registered Owner shown above, or registered assigns, on the dates set forth below, the Principal Amount specified above. Subject to prior prepayment described in this Bond, this Bond shall mature on September 1, 2014.

This Bond is issued under authority of and is full compliance with the Constitution and laws of the State of Florida, including particularly Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Town and Resolution No. R-2008-_____ duly adopted by the Town Council of the Town on May 7, 2008 (the "Bond Resolution"), and is subject to the terms of the Bond Resolution. This Bond is issued for the purpose of refunding the Town's $5,000,000 Public Improvement Revenue Bonds, Series 1999.

Subject to adjustment as provided below, this Bond shall bear interest on the outstanding principal balance from its date of issuance payable semiannually on each April 1 and October 1 (the "Interest Payment Dates"), commencing October 1, 2008, at an interest rate equal to ____% per annum.

Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve (12) thirty-day months.

Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred, the rate of interest on the Bonds shall be increased to a rate per annum equal to ____% per annum (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such

additional interest, additions to tax, penalties and interest shall be paid by the Town on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested by either the Town or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Town to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof.

Adjustment of Interest Rate for Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Bonds or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on the Bonds or causes a reduction in yield on the Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Bonds, including without limitation, a change in the maximum effective corporate tax rate in effect on the date of issuance of the Bonds (35%), the imposition of any excise tax or surcharge thereon, or (b) if, as result of action by any pubic body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owners or any former Owners of the Bonds (other than by reasons of change described above or by reason of any action or failure to act on the part of any Owner or any former Owner of the Bonds) by reason of the ownership of the Bonds, (i) the interest rate on the Bonds will be adjusted to cause the yield on the Bonds, after payment of any increase in tax, to equal what the yield on the Bonds would have been in the absence of such change in law, rule, regulation or executive order, or such action by any pubic body or governmental agency, and (ii) the Town shall reimburse any such Owner within five (5) days after receipt by the Town of written demand for such payment, and the Town agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change.

Adjustment of Interest Rate Upon an Event of Default. If an "event of default" occurs under Section 18 of the Bond Resolution, the interest rate on the Bonds shall immediately be adjusted to a rate equal to the per annum interest rate announced by Wachovia Bank, National Association, from time to time, as its "Prime Rate," plus two percent (2%).

Prepayment Provisions

Mandatory Prepayment

The principal of this Bonds shall be subject to mandatory prepayment in annual installments on each October 1 (except that the final installment shall be made on September 1, 2014), commencing October 1, 2008 (each a "Scheduled Due Date") in the amounts set forth on Exhibit "B" attached hereto.

Optional Prepayment.

This Bond is subject to optional prepayment in whole or in part at any time at a price of par, plus accrued interest to the date of prepayment, plus a premium equal to the "Prepayment Penalty" described in Exhibit "A" attached hereto, upon written notice to the Owners thereof given by the Town at least five (5) days prior to the date fixed for prepayment.

Partial prepayments shall be applied in inverse order of the maturity of principal installments.

In the event that there is more than one Owner of the Bonds, (i) the Town shall determine the amount of each Bond to be redeemed, and (ii) the Town shall give notice to each Owner of the Bonds at least five (5) days prior to the date of redemption of the amount of each Bond to be redeemed.

The principal of and interest on this Bond are payable in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owner or his legal representative at the address of the Owner as it appears on the registration books of the Town.

The Town has covenanted and agreed in the Bond Resolution to appropriate in its annual budget, by amendment, if necessary, from Legally Available Non-Ad Valorem Revenues lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Bonds in accordance with their terms during such fiscal year. "Legally Available Non-Ad Valorem Revenues" means all revenues of the Town derived from any source other than ad valorem taxation on real or personal property which are legally available to make the payments required under the Bond Resolution; but only after provision has been made by the Town for the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town or which are legally mandated by applicable law. Such covenant and agreement on the part of the Town to budget and appropriate such amounts of Legally Available Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Legally Available Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Town, the Town does not covenant to maintain any services or programs, now provided or maintained by the Town, which generate non-ad valorem revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Legally Available Non-Ad Valorem Revenues, nor does it preclude the Town from pledging in the future its Legally Available Non-Ad Valorem Revenues, nor does it require the Town to levy and collect any particular non-ad valorem revenues. Such covenant to budget and appropriate Legally Available Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of one or more sources of such Legally Available Non-Ad

Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Bond Resolution shall have the effect of making available in the manner described herein Legally Available Non-Ad Valorem Revenues and placing on the Town a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Bond Resolution, subject, however, in all respects to the terms of the Bond Resolution and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation and other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town or which are legally mandated by applicable law.

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE PAYABLE FROM AND SECURED SOLELY BY LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE TOWN. THE ISSUANCE OF THIS BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE TOWN TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE TOWN, AND THE HOLDER OF THIS BOND SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

The original registered Owner, and each successive registered Owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

1. The Town shall keep books for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. Bonds may be transferred or exchanged upon the registration books kept by the Town, upon delivery to the Town, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Town and with guaranty of signatures satisfactory to the Town, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. The Bonds may be exchanged for Bonds of the same principal amount and maturity and denominations in integral multiples of $250,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Town.

2. The Town may deem and treat the person in whose name any Bond shall be registered upon the books of the Town as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of,

the principal of and interest on such Bond as they become due, and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Town shall execute and deliver bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the Town may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Town shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment date on such Bonds.

4. All Bonds, the principal of which has been paid, either at or prior to maturity, shall be delivered to the Town when such payment is made, and shall thereupon be canceled. In case part, but not all of an outstanding Bond shall be prepaid, such Bond shall not be surrendered in exchange for a new Bond.

It is hereby certified and recited that all acts, conditions and things required to happen, to exist and to be performed precedent to and for the issuance of this Bond have happened, do exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto.

IN WITNESS WHEREOF, the Town of Davie, Florida has caused this Bond to be executed by the manual or facsimile signature of its Mayor and of its Town Clerk, and the Seal of the Town of Davie, Florida or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, all as of the ____ day of _____, 2008.

TOWN OF DAVIE, FLORIDA

_____

Mayor

_____

Town Clerk

(SEAL)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned_____ (the "Transferor"), hereby sells, assigns and transfers unto _____ (Please insert name and Social Security or Federal Employer identification number of assignee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ (the "Transferee") as attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date_____ _____

Signature Guaranteed: Social Security Number of Assignee

_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company

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

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

(Cust.)

Custodian for _____,

(Minor)

TEN ENT - as tenants by the entirety under Uniform Gifts to Minors

Act of _____

(State)

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

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

[ATTACH EXHIBIT "A"—PREPAYMENT PENALTY AND EXHIBIT "B"--AMORTIZATION SCHEDULE]

SECTION 7. COVENANT TO BUDGET AND APPROPRIATE. The Town hereby covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Legally Available Non-Ad Valorem Revenues lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Bonds in accordance with their terms during such fiscal year. "Legally Available Non-Ad Valorem Revenues" means all revenues of the Town derived from any source other than ad valorem taxation on real or personal property which are legally available to make the payments required under the Bond Resolution; but only after provision has been made by the Town for the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town or which are legally mandated by applicable law. Such covenant and agreement on the part of the Town to budget and appropriate such amounts of Legally Available Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Legally Available Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the Town, the Town does not covenant to maintain any services or programs, now provided or maintained by the Town, which generate non-ad valorem revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Legally Available Non-Ad Valorem Revenues, nor does it preclude the Town from pledging in the future its Legally Available Non-Ad Valorem Revenues, nor does it require the Town to levy and collect any particular non-ad valorem revenues. Such covenant to budget and appropriate Legally Available Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of one or more sources of such Legally Available Non-Ad Valorem Revenues heretofore or hereinafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate in its general annual budget for the purposes and in the manner stated in the Bond Resolution shall have the effect of making available in the manner described herein Legally Available Non-Ad Valorem Revenues and placing on the Town a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Bond Resolution, subject, however, in all respects to the terms of the Bond Resolution and the restrictions of Section 166.241(3), Florida Statutes, which provides, in part, that the governing body of each municipality make appropriations for each fiscal year which, in any one year, shall not exceed the amount to be received from taxation and other revenue sources; and subject, further, to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Town or which are legally mandated by applicable law.

SECTION 8. BOND FUND. There is hereby created a fund, entitled "Town of Davie, Florida Public Improvement Revenue Refunding Bonds, Series 2008A Bond Fund" (the "Bond Fund"). There shall be deposited into the Bond Fund on each Interest Payment Date sufficient amounts of Legally Available Non-Ad Valorem Revenues as specified in Section 7 hereof which, together with the amounts already on deposit therein, will enable the Town to pay the principal of and interest on the Bonds on each Interest Payment Date. Moneys in the Bond

Fund shall be applied on each Interest Payment Date to the payment of principal of and interest on the Bonds coming due on each such date.

SECTION 9. INVESTMENT OF BOND FUND. Subject to Section 12 hereof, funds in the Bond Fund may be invested in the following investments, maturing at or before the time such funds may be needed to pay principal of or interest on Bonds, to the extent such investments are legal for investment of municipal funds ("Authorized Investments"):

(a) The Local Government Surplus Funds Trust Fund;

(b) Negotiable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities;

(c) Interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida (the "State"), in national banks organized under the laws of the United States and doing business and situated in the State, in savings and loan associations which are under State supervision, or in federal savings and loan associations located in the State and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;

(d) Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;

(e) Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association; or

(f) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

SECTION 10. APPLICATION OF BOND PROCEEDS. The proceeds received upon the sale of the Bonds shall be used by the Town to pay the Prior Bonds in full.

The registered Owners shall have no responsibility for the use of the proceeds of the Bonds, and the use of such Bond proceeds by the Town shall in no way affect the rights of such registered Owners. The Town shall be obligated to apply the proceeds of the Bonds solely as provided herein. However, the Town shall be irrevocably obligated to continue to pay the

principal of and interest on the Bonds notwithstanding any failure of the Town to use and apply such Bond proceeds in the manner provided herein.

SECTION 11. FUNDS. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of Town funds are authorized to be secured by the laws of the State of Florida. Except as otherwise provided in Section 10 hereof, earnings on any investments in any amounts on any of the funds and accounts herein established and created shall be credited to such respective fund or account.

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

SECTION 12. INVESTMENTS AND USE OF PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE OF 1986. The Town covenants to the Owners of the Bonds that it will take all actions and do all things necessary and desirable in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, and shall refrain from taking any actions that would cause interest on the Bonds to be included in gross income for federal income tax purposes. In particular, the Town will not make or direct the making of any investment or other use of the proceeds of the Bonds which would cause such Bonds to be "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code or "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code, and all applicable regulations promulgated under the Code, and that it will comply with the applicable requirements of Sections 141 and 148 of the Code and the aforementioned regulations throughout the term of the Bonds.

SECTION 13. DESIGNATION UNDER SECTION 265(b)(3) OF THE CODE. In the resolution of the Town Council approving the issuance of the Prior Bonds, the Town designated the Prior Bonds as qualified tax-exempt obligations under Section 265(b)(3)(B) of the Code. Accordingly, the Bonds are treated as qualified tax-exempt obligations.

SECTION 14. ARBITRAGE REBATE COVENANTS. There is hereby created and established a fund to be held by the Town, designated the "Town of Davie Public Improvement Revenue Refunding Bonds, Series 2008A Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the Town separate and apart from all other funds and accounts held by the Town under this Resolution and from all other moneys of the Town.

Notwithstanding anything in this Resolution to the contrary, the Town shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Tax Certificate or the Rebate Covenants, if any, attached as an Exhibit to the Tax Certificate to be delivered by

the Town on the date of delivery of the Bonds (the "Rebate Covenants"), when such amounts are so required to be transferred. The Town Administrator shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Town covenants for the benefit of the Owners of the Bonds that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Resolution. The Town shall not be required to comply with the requirements of this Section 15 in the event that the Town obtains an opinion of nationally recognized bond counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Bonds.

SECTION 15. SPECIAL COVENANTS OF THE TOWN.

(a) The Town shall, upon receipt by the Town or within one hundred eighty (180) days of each fiscal year end, whichever is sooner, provide the Owners of the Bonds with a printed copy of its Comprehensive Annual Financial Report, its current year operating budget and its capital improvement plan, and a certificate of its Finance Director in form and substance satisfactory to the Owners of the Bonds evidencing compliance with the covenant set forth in Section 16(b) below. The Town shall also provide to the Owners of the Bonds any other financial information reasonably requested by such Owners.

(b) The Town covenants and agrees that it will at all times maintain a coverage ratio such that the average of Legally Available Non-Ad Valorem Revenues of the Town during the prior two fiscal years is equal to at least 150% of Maximum Annual Debt Service. For purposes of this paragraph,

> (i) "Maximum Annual Debt Service" shall mean the maximum amount of principal and interest required in the then current or any future fiscal year to pay all Debt Obligations;
>
> (ii) "Debt Obligations" shall mean debt service on debt obligations of the Town, including the Bonds, which are secured by or payable from one or more sources of non-ad valorem revenues.

Calculations of Legally Available Non-Ad Valorem Revenues will be based on information derived from the most recently audited fiscal year end financial statements. For purposes of calculating Maximum Annual Debt Service, the interest rate to be assumed for indebtedness bearing interest at a variable rate shall be equal to the higher of 6% per annum or the average rate of interest paid by the Town with respect to such indebtedness during the month preceding the date of calculation.

(c) The Town will not issue any additional Debt Obligations, unless (i) the ratio

of the amount of Legally Available Non-Ad Valorem Revenues collected during each of the preceding two fiscal years of the Town divided by the Maximum Annual Debt Service on all Debt Obligations and on the Debt Obligations proposed to be issued, is at least equal to 1.50, (ii) no Event of Default exists hereunder and (iii) the other covenants of the Town contained herein will continue to be met. For purposes of determining compliance with (i) above, the assumptions set forth in Section 15(b) and the definitions set forth in Section 15(b) of this Resolution shall apply.

SECTION 16. COVENANTS BINDING ON TOWN AND SUCCESSOR. All covenants, stipulations, obligations and agreements of the Town contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Town to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon the officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Town or upon the Town Council by the provisions of this Resolution shall be exercised or performed by the Town Council or by such officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the Town Council or officer, agent or employee of the Town in his or her individual capacity, and neither the members of the Town Council nor any officer, agent or employee of the Town executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 17. EVENTS OF DEFAULT. Each of the following events is hereby declared an "event of default":

(a) payment of the principal (including mandatory prepayment) of any of the Bonds shall not be made when the same shall become due and payable; or

(b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) the Town shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Bonds or in this Resolution (except for a default described in subsection (a) or (b) of this Section) on the part of the Town to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Town by any Owner of any bond; provided that it shall not constitute an event of default if the default is not one that can

be cured within such sixty (60) days, as agreed by the Bondholders and the Town, and the Town commences within such sixty (60) days and is proceeding diligently with action to correct such default;

(d) any proceeding shall be instituted with the consent of the Town for the purpose of effecting a composition between the Town and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted and such proceedings shall not have been dismissed within thirty (30) days after the institution of the same; or

(e) a payment default under any other debt obligation of the Town which results in an acceleration of such debt.

SECTION 18. REMEDIES; RIGHTS OF BONDHOLDERS.

(a) Upon the occurrence and continuance of any event of default specified in Section 17(e) hereof, the Owners of the Bonds may declare all payments of principal and accrued interest to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) Upon the occurrence and continuance of any event of default specified in Section 17(a), (b), (c) or (d) hereof, the Owners of the Bonds may pursue any available remedy by suit, at law or in equity, to enforce the payment of the principal of and interest on the Bonds then outstanding.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any event of default hereunder shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

The Town agrees, to the extent permitted by law, to indemnify the Bank and its directors, officers, employees and agents from any against any losses, claims, damages, liabilities and expenses (including, without limitation, counsel fees and expenses) which may be incurred in connection with enforcement of the provisions of this Resolution and the Bonds.

SECTION 19. DEFEASANCE. (a) The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(i) by paying the principal of, prepayment premium, if any, and interest on the Bonds when the same shall become due and payable; or

(ii) by depositing with an escrow agent certain moneys irrevocably pledged to the payment of the Bonds, which together with other moneys lawfully available therefor, if any, shall be sufficient at the time of such deposit with the escrow agent to pay when due the principal, prepayment premium, if any, and interest due and to become due on said Bonds on or prior to the prepayment date or maturity date thereof; or

(iii) by depositing with an escrow agent moneys irrevocably pledged to the payment of the Bonds, which together with other moneys lawfully available therefor, when invested by the escrow agent in direct obligations of the United States of America which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof, will provide moneys which shall be sufficient (as evidenced by a verification report of an independent certified public accountant or firm of accountants) to pay when due the principal, prepayment premium, if any, and interest due and to become due on said Bonds on or prior to the prepayment date or maturity date thereof.

Upon such payment or deposit with an escrow agent in the amount and manner provided in this Section 19, the Bonds shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Resolution and the covenants of the Town hereunder and all liability of the Town with respect to said Bonds shall cease, terminate and be completely discharged and extinguished and the holders thereof shall be entitled to payment solely out of the moneys or securities so deposited with the escrow agent; provided, however, that (i) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 2 hereof and (ii) in the event that any Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days following a deposit of moneys with the escrow agent in accordance with this Section, the Town shall have given the escrow agent in form satisfactory to it irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the registration books of the Town, a notice stating that a deposit in accordance with this Section has been made with the escrow agent and that the Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on said Bonds.

(b) Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any portion of the Bonds.

(c) If any portion of the moneys deposited with an escrow agent for the payment of the principal of, redemption premium, if any, and interest on any portion of the Bonds is not required for such purpose, the escrow agent shall transfer to the Town the amount of such excess and the Town may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(d) Notwithstanding any of the foregoing, the requirements of Section 12 and 14 hereof relating to use and investment of proceeds and rebate amounts due to the United States pursuant to the Rebate Covenants shall survive the payment of principal and interest with respect to the Bonds or any portion thereof.

SECTION 20. SALE OF BONDS. Based upon the uncertainty of the interest rate environment if sale of the Bonds is delayed, the Town hereby determines and finds the necessity for a negotiated sale of the Bonds. The Town has been provided all applicable disclosure information required by Section 218.385, Florida Statutes. The negotiated sale of the Bonds is hereby approved to the Bank at a purchase price of par.

SECTION 21. AUTHORITY OF OFFICERS. The Mayor, the Vice Mayor, any member of the Council, the Town Administrator, the Town Clerk, the Assistant Town Clerk, the Director of the Department of Budget and Finance and any other proper official of the Town, are and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transaction contemplated by this Resolution and the other documents identified herein.

SECTION 22. SEVERABILITY. In case any one or more of the provisions of this Resolution or of any Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

SECTION 23. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date of maturity of interest on or principal of the Bonds shall be a Saturday, Sunday or a day on which the banks in the State are required, or authorized or not prohibited, by law (including executive orders) to close and are closed, then payment of such interest or principal need not be made by the Town on such date but may be made on the next succeeding business day on which the banks in the State are open for business.

SECTION 24. OPEN MEETING FINDINGS. It is hereby found and determined that all official acts of the Town Council concerning and relating to the adoption of this Resolution and all prior resolutions affecting the Town Council's ability to issue the Bonds were taken in an open meeting of the Town Council and that all deliberations of the Town Council or any of its committees that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

SECTION 25. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

SECTION 26. WAIVER OF JURY TRIAL. To the extent permitted by applicable law, the Town, knowingly, voluntarily and intentionally waives any right it may have to a trial by jury in respect of any litigation based on, or arising out of, under or in connection with this Resolution, the Bonds or any agreement contemplated to be executed in connection with this Resolution, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of the Town or the Bank with respect hereto. The Town acknowledges that this provision

is a material inducement to the Bank to purchase the Bonds.

SECTION 27. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED this 7th day of May, 2008.

_____
Mayor/Councilman

Attest:

_____
Town Clerk

I HEREBY CERTIFY that I have approved the form and correctness of this Resolution.

_____
Town Attorney

EXHIBIT "A"

PREPAYMENT PENALTY

Any applicable prepayment penalty on the Bonds shall be calculated in accordance with the following:

"Break Event" means any voluntary or mandatory prepayment or acceleration, in whole or in part, of the principal of the Bonds occurring prior to the date such principal would, but for that prepayment or acceleration, have become due (a "Scheduled Due Date"). For each date on which a Break Event occurs (a "Break Date"), a Breakage Fee shall be due to the owners of the Bonds only if the rate under "A" below exceeds the rate under "B" below, such Breakage Fee to be determined as follows:

Breakage Fee = the Present Value of [(A-B) x C], plus LIBOR Breakage, where:

A = A rate per annum equal to the sum of [i] the bond equivalent yield (bid side) of the U.S. Treasury security with a maturity closest to the Maturity Date as reported by the Wall Street Journal (or other published source) on the date the Fixed Rate on the Bonds was set (the "Lock -in Date") plus [ii] the corresponding swap spread of the Bank on the Lock-in Date for fixed rate payor to pay the Bank the fixed rate side of an interest rate swap of that maturity, plus [iii] 0.25%.;

B = A rate per annum equal to the sum [i] the bond equivalent yield (bid side) of the U.S Treasury security with a maturity closest to the Maturity Date as reported by the Wall Street Journal (or other published source) on the Break Date, plus [ii] the corresponding swap spread that the Bank determines another swap dealer would quote to the Bank on the Break Date for paying to the Bank the fixed rate side of an interest rate swap of that maturity;

C = The sum of the products of [i] each Affected Principal Amount for each Affected Principal Period, times [ii] the number of days in the Affected Principal Period divided by 360;

"Affected Principal Amount" for an Affected Principal Period is the principal amount of the Bonds scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date before giving effect to the Break Event on that Break Date, and for any prepayment, multiplying each such principal amount times the Prepayment Fraction.

"Affected Principal Period" is each period from and including a Scheduled Due Date to but excluding the next succeeding Scheduled Due Date, provided that the first such period shall begin on and includes the Break Date.

"Libor Breakage" is any additional loss, cost or expense that the Bank may incur with respect to any hedge for the Fixed Rate on the Bonds based on the difference

between the London interbank offered rate (for U.S. dollar deposits of the relevant maturity) available in the London interbank market at the beginning of the interest period in which the Break Date occurs and that which is available in that market on the Break Date.

"Maturity Date" is the date on which the final payment of principal of the Bonds would, but for any Break Event, have become due.

"Prepayment Fraction" is a fraction equal to the principal amount being prepaid over the principal amount of the Bonds outstanding immediately prior to that prepayment on the Break Date.

"Present Value" is determined as of the Break Date using "B" above as the discount rate.

In addition, a Break Event shall be deemed to occur hereunder if, on any date ("Borrowing Date") after the date hereof but prior to any acceleration of the Bonds, any advance of principal under the Bonds is scheduled to be made and that advance fails to be made on that Borrowing Date (whether due to the Town's default, the Town's failure to borrow, the termination of any loan commitment, any unsatisfied condition precedent, or otherwise), in which case that Borrowing Date shall be a Break Date, the Affected Principal Amount for that Break Event shall be based on the amount of the failed advance, and the Town shall on demand pay to the Bank any Breakage Fee due hereunder for that Break Event.

Breakage Fees are payable as liquidated damages, are a reasonable pre-estimate of the losses, costs and expenses Bank would incur in the event of any prepayment or acceleration of the Bonds, are not a penalty, will not require claim for, or proof of, actual damages, and Bank's determination thereof shall be conclusive and binding in the absence of manifest error. For any Break Event hereunder, the foregoing Breakage Fee provisions supersede any breakage compensation agreement that Town and Bank may have executed with respect to the Bonds.

EXHIBIT "B"

AMORTIZATION SCHEDULE

SOURCES AND USES OF FUNDS

Town of Davie, Florida
Public Improve. Rev. Ref. Bonds, Series 2008 (99)
Wachovia Proposal - Option 1
Level Debt Service - No Short Period
Refunding for Principal Only - Interest to be paid by Town
Callable with Breakage Fee

Sources:	
Bond Proceeds:	
Par Amount	1,825,000.00
	1,825,000.00

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	1,825,000.00
	1,825,000.00

Notes:
Callable with Breakage Fee
Prior Debt Series (Series 1999) Variable Rate based on 1 month Libor (2.89%) times 73.9% - Current Rate 2.14%

BOND DEBT SERVICE

Town of Davie, Florida
Public Improve. Rev. Ref. Bonds, Series 2008 (99)
Wachovia Proposal - Option 1
Level Debt Service - No Short Period
Refunding for Principal Only - Interest to be paid by Town
Callable with Breakage Fee

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2008	285,000	3.280%	22,613.78	307,613.78	
04/01/2009			25,256.00	25,256.00	
09/01/2009					332,869.78
10/01/2009	290,000	3.280%	25,256.00	315,256.00	
04/01/2010			20,500.00	20,500.00	
09/01/2010					335,756.00
10/01/2010	300,000	3.280%	20,500.00	320,500.00	
04/01/2011			15,580.00	15,580.00	
09/01/2011					336,080.00
10/01/2011	305,000	3.280%	15,580.00	320,580.00	
04/01/2012			10,578.00	10,578.00	
09/01/2012					331,158.00
10/01/2012	320,000	3.280%	10,578.00	330,578.00	
04/01/2013			5,330.00	5,330.00	
09/01/2013					335,908.00
10/01/2013	165,000	3.280%	5,330.00	170,330.00	
04/01/2014			2,624.00	2,624.00	
09/01/2014	160,000	3.280%	2,186.67	162,186.67	335,140.67
	1,825,000		181,912.45	2,006,912.45	2,006,912.45