

**RESOLUTION No. 07 – 03**

**A RESOLUTION OF THE CITY OF DORAL, FLORIDA, AUTHORIZING THE ISSUANCE OF CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2007A, OF THE CITY OF DORAL, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000 AND THE ISSUANCE OF CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2007B (TAXABLE), OF THE CITY OF DORAL, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000 FOR THE PURPOSE OF REFUNDING THE CITY'S \$11,250,000 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2006B (TAXABLE); AWARDING THE SALE OF THE BONDS TO REGIONS BANK; PROVIDING FOR SECURITY FOR THE BONDS; PROVIDING OTHER PROVISIONS RELATING TO THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on February 8, 2006, the City Council (the "Council") of the City of Doral, Florida (the "City") adopted Resolution No. 06-10 accepting a commitment (the "Commitment") from Regions Bank (the "Bank") to provide financing by purchasing bonds to be issued by the City for the purpose of financing a portion of the costs of acquisition of land for City parks and improvement of Doral Park and Doral Meadows Park, financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the bonds (the "Project"); and

**WHEREAS**, on March 8, 2006, the Council adopted Ordinance No. 06-08 (the "Ordinance") authorizing the issuance of not exceeding \$21,250,000 of bonds for the purpose of financing the Project; and

**WHEREAS**, pursuant to the Commitment, the bonds were issued on May 4, 2006 in two series as follows: (a) one series was issued as taxable bonds in the aggregate principal amount of \$11,250,000 pursuant to Resolution No. 06-21 adopted on April 12, 2006, and was titled City of Doral, Florida Capital Improvement Revenue Bonds, Series 2006B (Taxable) (the "Series 2006B Bonds"); and (b) one series was issued as tax-exempt bonds in the aggregate principal amount of \$10,000,000 pursuant to Resolution No. 06-20 adopted on April 12, 2006, and was titled City of Doral, Florida Capital Improvement Revenue Bonds, Series 2006A (the "Series 2006A Bonds"); and

**WHEREAS**, at the time of issuance of the Series 2006B Bonds, the City intended to refund \$10,000,000 of the Series 2006B Bonds early in 2007 with a series of tax-exempt bonds and to simultaneously refund the remaining \$1,250,000 of the Series 2006B Bonds with another series of taxable bonds, all as more specifically set forth in Resolution No. 06-21; and

**WHEREAS**, concurrently with the issuance of the Series 2006B Bonds, the City entered into a swap agreement (the "Swap Agreement") with the Bank whereby the City agreed to refund the Series 2006B Bonds on January 15, 2007 in exchange for locking in, on the date of delivery of the Series 2006B Bonds, the interest rate that would apply to such refunding bonds; and

**WHEREAS**, the Council desires to set forth the details of such refunding bonds in this Bond Resolution;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA:**

SECTION 1. RECITALS. The foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon adoption hereof.

SECTION 2. AUTHORIZATION OF SERIES 2007 BONDS.

(a) Pursuant to the provisions of this Bond Resolution and the Ordinance, capital improvement revenue refunding bonds of the City, to be designated "City of Doral, Florida Capital Improvement Revenue Refunding Bonds, Series 2007A" (the "Series 2007A Bonds"), are hereby authorized to be issued in an aggregate principal amount of \$10,000,000 for the purpose of refunding, on a tax-exempt basis, \$10,000,000 of the Series 2006B Bonds.

(b) Pursuant to the provisions of this Bond Resolution and the Ordinance, capital improvement revenue refunding bonds of the City, to be designated "City of Doral, Florida Capital Improvement Revenue Refunding Bonds, Series 2007B ("Taxable") (the "Series 2007B Bonds", and, collectively with the Series 2007A Bonds, the "2007 Bonds"), are hereby authorized to be issued in an aggregate principal amount of \$1,250,000 for the purpose of refunding, on a taxable basis, \$1,250,000 of the Series 2006B Bonds.

SECTION 3. GENERAL TERMS OF THE SERIES 2007 BONDS.

The Series 2007 Bonds shall be issued in fully registered form without coupons. The principal of and interest on the Series 2007 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 Series 2007 Bonds ("Owners") or their legal representatives at the addresses of the Owners as they appear on the registration books of the City. Payments shall be made in immediately available funds by no later than 2:00 p.m. on the date due, free and clear of any defenses, set-offs, counterclaims, or withholdings or deductions for taxes.

THE SERIES 2007 BONDS SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OF THE CITY OR A PLEDGE OF THE FAITH AND CREDIT OF THE

CITY, BUT SHALL BE PAYABLE EXCLUSIVELY FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY, AS DEFINED IN THIS RESOLUTION. THE ISSUANCE OF THE SERIES 2007 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR NOR SHALL THE SERIES 2007 BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, AND THE HOLDERS OF THE SERIES 2007 BONDS SHALL HAVE NO RECOURSE TO THE POWER OF TAXATION.

SECTION 4. SPECIFIC TERMS OF THE SERIES 2007A BONDS.

(a) General Provisions. The Series 2007A Bonds shall be dated the date of their issuance and delivery and shall be initially issued as one Bond in the denomination of \$10,000,000. The Series 2007A Bonds shall mature on April 1, 2027.

(b) Interest Rate. Subject to adjustment as provided below, the Series 2007A Bonds shall bear interest on the outstanding principal balance from their date of issuance at a variable rate equal to 65% of 3-Month LIBOR, plus 45 basis points (0.45%) (the "Variable Rate"). Interest shall be payable quarterly on the first day of each January, April, July, and October (the "Interest Payment Dates") beginning April 1, 2007. The Bank agrees to send the City a calculation showing the estimated amount of interest coming due on each Interest Payment Date at least thirty (30) days prior to such Interest Payment Date, and a calculation showing the actual amount of interest due on such date within seven (7) days after such date. The initial Variable Rate shall be based on 3-Month LIBOR in effect two business Days before the date of issuance of the Series 2007A Bonds. The Variable Rate shall be adjusted on each Interest Payment Date, beginning on July 1, 2007, based on 3-Month LIBOR in effect on the next-to-last Business Day of the previous month.

As used herein, "3-Month LIBOR" means the London Interbank Offered Rate Three Month published by the British Bankers Association as reported in the *Wall Street Journal* on the date of determination, or if not so reported, then such service as determined by the Bank from another recognized source of interbank quotations for U.S. dollar deposits of a three-month maturity. "Business Day" means any day other than a Saturday, Sunday, or other day on which the Bank is lawfully closed.

Interest on the Series 2007A Bonds shall be computed on the basis of a 360-day year based on twelve 30-day months.

(i) Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall occur, the rate of interest on the Series 2007A Bonds shall be increased to the variable rate equal to 3-Month LIBOR plus 45 basis points (0.45%) (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Series 2007A Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Series 2007A Bonds or any former Owners of the Series 2007A 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 Series 2007A Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the City 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 Series 2007A Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested with the Internal Revenue Service by either the City or any Owners of the Series 2007A Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Series 2007A 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 City to the effect that interest on Series 2007A Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, or (iv) receipt by the City of an opinion of bond counsel to the City to the effect that interest on the Series 2007A Bonds is includable for federal income tax purpose in the gross income of the Owners thereof.

(ii) Adjustment of Interest Rate for Partial Taxability. In the event that interest on the Series 2007A Bonds during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of the Series 2007A Bonds, then the interest rate on the Series 2007A Bonds shall be increased during such period by an amount equal to:  $(A-B) \times C$  where:

- (a) A equals the Taxable Rate (expressed as a percentage);
- (b) B equals the Variable Rate (expressed as a percentage); and
- (c) C equals the portion of the Series 2007A Bonds the interest on which has become taxable as the result of the Determination of Taxability (expressed as a decimal).

In addition, the Owners of the Series 2007A Bonds or any former Owners of the Series 2007A 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 Series 2007A Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the City on the next succeeding Interest Payment

Date following the Determination of Taxability.

(iii) Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Series 2007A Bonds on a tax-exempt basis, changes from the Maximum Corporate Tax Rate then in effect, the interest rate on the Series 2007A Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Series 2007A Bonds by a fraction equal to  $(1-A)$  divided by  $(1-B)$ , where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

(iv) Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Series 2007A 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 Series 2007A Bonds or causes a reduction in yield on the Series 2007A Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Series 2007A Bonds, including without limitation the imposition of any excise tax or surcharge thereon, (b) if, as a result of action by any public 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 Series 2007A Bonds (other than by reason of a 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 Series 2007A Bonds) by reason of the ownership of the Series 2007A Bonds, or (c) if there is any change in reserve requirements or in the interpretation thereof, or in accounting practice, or in other laws applicable to banks, loans or financings, or interpretations thereof, which results in increased costs to the Bank as a result of holding the Series 2007A Bonds, the City shall reimburse any such Owner within five (5) days after receipt by the City of written demand for such payment, and the City agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change. The determination of the after-tax yield calculation or the effect of any change described in (c) shall be verified by a firm of certified public accountants regularly employed by the Bank (or the current Owner of the Series 2007A Bonds) and acceptable to the City, and such calculation, in the absence of manifest error, shall be binding on the City and the Owners.

(v) Adjustment of Interest Rate Upon an Event of Default. If an "event of default" occurs under Sections 20(a) or (b) of this Resolution and continues for a period of ten (10) days, the interest rate on the Series 2007A Bonds shall immediately be adjusted after the tenth day and for so long

thereafter as the default continues, to a rate equal to the then current rate on the Series 2007A Bonds, plus three percent (3%). If an “event of default” occurs under Sections 20(c), (d) or (e) of this Resolution, the interest rate on the Series 2007A Bonds shall immediately be adjusted after the end of any grace period provided for in the applicable section (but only upon a declaration of a default by the Owners of the Series 2007A Bonds) and for so long thereafter as the default continues, to a rate equal to the then current rate on the Series 2007A Bonds, plus three percent (3%).

(c) Prepayment Provisions.

- (i) Mandatory Prepayment. The principal of the Series 2007A Bonds shall be subject to mandatory prepayment in quarterly installments on each Interest Payment Date, commencing July 1, 2007 (each a “Scheduled Due Date”), in the amounts shown on the schedule attached to the Series 2007A Bonds.

In the event that there is more than one Owner of the Series 2007A Bonds, (A) the City shall determine the amount of each Bond to be redeemed, and (B) the City shall give notice to each Owner of the Series 2007A Bonds at least three (3) days prior to the date of mandatory redemption of the amount of each Bond to be redeemed.

- (ii) Optional Prepayment. The Series 2007A Bonds are subject to optional prepayment, upon thirty (30) days written notice to the Bank, in whole or in part at any time at par, plus accrued interest to the date of prepayment.

SECTION 5. SPECIFIC TERMS OF THE SERIES 2007B BONDS.

- (a) General Provisions. The Series 2007B Bonds shall be dated the date of their issuance and delivery and shall be initially issued as one Bond in the denomination of \$1,250,000. The Series 2007B Bonds shall mature on April 1, 2027.

(b) Interest Rate. Subject to adjustment as provided below, the interest rate on the Series 2007B Bonds shall be 5.88% per annum from their date of issuance through and including April 1, 2010 (the “Fixed Rate Period”). The City may, at any time during the Fixed Rate Period, elect to change the interest rate on the Series 2007B Bonds to a variable rate. In such case (or if the City does not so elect, then for the period beginning on April 2, 2010 through the maturity date of the Series 2007B Bonds), the interest rate on the Series 2007B Bonds shall be the variable rate equal to 3-Month LIBOR in effect two Business Days before the interest rate becomes effective, plus 45 basis points (0.45%). The Bank agrees to send the City a calculation showing the estimated amount of interest coming due on each Interest Payment Date at least thirty (30) days prior to such Interest Payment Date, and a calculation showing the actual amount of interest due on such date within seven (7) days after such date. The Variable Rate shall be adjusted on

each Interest Payment Date based on 3-Month LIBOR in effect on the next-to-last Business Day of the previous month. In addition, at any time prior to the maturity date of the Series 2007B Bonds, the City may elect to enter into a swap agreement with the Bank for a period of up to the remaining term of the Series 2007B Bonds in order to effectively fix the rate on the Series 2007B Bonds for such period.

Interest on the Series 2007B Bonds shall be computed on the basis of a 360-day year based on twelve 30-day months.

So long as any portion of the principal amount of the Series 2007B Bonds or interest thereon remains unpaid, if there is any change in reserve requirements or in the interpretation thereof, or in accounting practice, or in other laws applicable to banks, loans or financings, or interpretations thereof, which results in increased costs to the Bank as a result of holding the Series 2007B Bonds, the City shall reimburse the Bank within five (5) days after receipt by the City of written demand for such payment, and the City agrees to indemnify the Bank against any loss, cost, charge or expense with respect to any such change. The determination of the effect of any such change shall be verified by a firm of certified public accountants regularly employed by the Bank (or the current Owner of the Series 2007B Bonds) and acceptable to the City, and such calculation, in the absence of manifest error, shall be binding on the City and the Owners.

If an "event of default" occurs under Sections 20(a) or (b) of this Resolution and continues for a period of ten (10) days, the interest rate on the Series 2007B Bonds shall immediately be adjusted after the tenth day and for so long thereafter as the default continues, to a rate equal to the then current rate on the Series 2007B Bonds, plus three percent (3%). If an "event of default" occurs under Sections 20(c), (d) or (e) of this Resolution, the interest rate on the Series 2007B Bonds shall immediately be adjusted after the end of any grace period provided for in the applicable section (but only upon a declaration of a default by the Owners of the Series 2007B Bonds) and for so long thereafter as the default continues, to a rate equal to the then current rate on the Series 2007B Bonds, plus three percent (3%).

(c) Prepayment Provisions.

- (i) Mandatory Prepayment. The principal of the Series 2007B Bonds shall be subject to mandatory prepayment in quarterly installments on each Interest Payment Date, commencing July 1, 2007 (each a "Scheduled Due Date"), in the amounts shown on the schedule attached to the Series 2007B Bonds.

In the event that there is more than one Owner of the Series 2007B Bonds, (A) the City shall determine the amount of each Bond to be redeemed, and (B) the City shall give notice to each Owner of the Series 2007B Bonds at least three (3) days prior to the date of mandatory redemption of the amount of each Bond to be redeemed.

- (ii) Optional Prepayment. The Series 2007B Bonds are subject to optional prepayment, upon thirty (30) days written notice to the Bank, in whole or in part at any time at par, plus accrued interest to the date of prepayment.

**SECTION 6. EXECUTION OF SERIES 2007 BONDS.** The Series 2007 Bonds shall be signed in the name of the City by the Mayor or Vice Mayor (or, in their absence, any other member of the City Council) and the City Clerk, and its seal shall be affixed thereto or imprinted or reproduced thereon. The signatures of the Mayor or Vice Mayor (or, in their absence, any other member of the City Council) and City Clerk on the Series 2007 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 Series 2007 Bonds shall cease to be such officer of the City before the Series 2007 Bonds so signed and sealed shall have been actually sold and delivered, such Series 2007 Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed and sealed such Series 2007 Bonds had not ceased to hold such office. Any Series 2007 Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Series 2007 Bonds shall hold the proper office, although at the date of such Series 2007 Bonds such person may not have held such office or may not have been so authorized.

**SECTION 7. NEGOTIABILITY, REGISTRATION AND CANCELLATION.** The City shall serve as Registrar and as such shall keep books for the registration of Series 2007 Bonds and for the registration of transfers of Series 2007 Bonds. Series 2007 Bonds may be transferred or exchanged upon the registration books kept by the City, upon delivery to the City, together with written instructions as to the details of the transfer or exchange, of such Series 2007 Bonds in form satisfactory to the City and with guaranty of signatures satisfactory to the City, 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. Series 2007 Bonds may be exchanged for one or more Series 2007 Bonds of the same series, 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 Series 2007 Bond shall be effective until entered on the registration books maintained by the City.

The City may deem and treat the person in whose name any Series 2007 Bond shall be registered upon the books kept by the City as the absolute Owner of such Series 2007 Bond, whether such Series 2007 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2007 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 Series 2007 Bond to the extent of the sum or sums so paid.



In all cases in which Series 2007 Bonds are transferred or exchanged in accordance with this Section, the City shall execute and deliver Series 2007 Bonds in accordance with the provisions of this Resolution. All Series 2007 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the City. There shall be no charge for any such exchange or transfer of Series 2007 Bonds, but the City may require the 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 City shall not be required to transfer or exchange Series 2007 Bonds for a period of 15 days next preceding an Interest Payment Date on such Series 2007 Bonds.

All Series 2007 Bonds, the principal and interest of which has been fully paid, either at or prior to maturity, shall be delivered to the City when such payment is made, and shall thereupon be cancelled.

In case a portion but not all of an outstanding Series 2007 Bond shall be prepaid, such Series 2007 Bond shall not be surrendered in exchange for a new Series 2007 Bond, but the City shall make a notation indicating the remaining outstanding principal of the Series 2007 Bonds upon the registration books. The Series 2007 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 8. SERIES 2007 BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Series 2007 Bond shall become mutilated or be destroyed, stolen or lost, the City may in its discretion issue and deliver a new Series 2007 Bond of like tenor as the Series 2007 Bond so mutilated, destroyed, stolen or lost, in the case of a mutilated Series 2007 Bond, in exchange and substitution for such mutilated Series 2007 Bond upon surrender of such mutilated Series 2007 Bond or in the case of a destroyed, stolen or lost Series 2007 Bond in lieu of and substitution for the Series 2007 Bond destroyed, stolen or lost, upon the Owner furnishing the City 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 City may prescribe and paying such expenses as the City may incur. The City shall cancel all mutilated Series 2007 Bonds that are surrendered. If any mutilated, destroyed, lost or stolen Series 2007 Bond shall have matured or be about to mature, instead of issuing a substitute Series 2007 Bond, the City may pay the principal of and interest on such Series 2007 Bond upon the Owner complying with the requirements of this paragraph.

Any such duplicate Series 2007 Bonds issued pursuant to this section shall constitute original, additional contractual obligations of the City whether or not the lost, stolen or destroyed Series 2007 Bonds be at any time found by anyone, and such duplicate Series 2007 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 Series 2007 Bonds issued hereunder.

SECTION 9. FORM OF SERIES 2007 BONDS. The text of the Series 2007A Bonds shall be of substantially the tenor set forth in Exhibit "A" hereto, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution. The text of the Series 2007B Bonds shall be of substantially the tenor set forth in Exhibit "B" hereto, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution.

SECTION 10. COVENANT TO BUDGET AND APPROPRIATE. The City hereby covenants and agrees to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues (as defined in this Section) lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Series 2007 Bonds in accordance with their terms during such fiscal year. "Non-Ad Valorem Revenues" means all revenues of the City derived from any source other than ad valorem taxation on real or personal property and which are legally available to make the payments required under this Resolution; but only after provision has been made by the City for the payment of all essential or legally mandated services not otherwise provided for by ad valorem taxes. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such 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 City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future a specific source of its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owners a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such 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 herein shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under this Resolution, subject, however, in all respects to the terms of this 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 or 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 City or which are legally mandated by applicable law.

SECTION 11. BOND FUND. There is hereby created a fund entitled "City of

Doral, Florida Capital Improvement Revenue Bonds, Series 2007 Bond Fund” (the “Bond Fund”), which shall be held by the Bank. There shall be deposited into the Bond Fund on each Interest Payment Date sufficient amounts of Non-Ad Valorem Revenues as specified in Section 8 hereof which, together with the amounts already on deposit therein, will enable the City to pay the principal of and interest on the Series 2007 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 Series 2007 Bonds coming due on each such date.

SECTION 12. INVESTMENT OF BOND FUND. 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 Series 2007 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;
- (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; or

- (g) Any other investments that at the time are legal investments for municipal funds, are permitted by the duly approved investment policy of the City and as to which the Bank has not objected in writing. No investment may be made under this Section 10(g) in any investments that have been added to the City's approved investment policy after the date of issuance of the Series 2007 Bonds, until 60 days after the revised investment policy has been submitted to the Bank.

**SECTION 13. APPLICATION OF BOND PROCEEDS.**

- (a) All proceeds received from the Series 2007 Bonds shall be applied to discharge the Series 2006B Bonds.
- (b) The registered Owners shall have no responsibility for the use of the proceeds of the Series 2007 Bonds, and the use of such Bond proceeds by the City shall in no way affect the rights of such registered Owners. The City shall be obligated to apply the proceeds of the Series 2007 Bonds solely to discharge the Series 2006B Bonds. However, the City shall be irrevocably obligated to continue to pay the principal of and interest on the Series 2007 Bonds notwithstanding any failure of the City to use and apply such Bond proceeds in the manner provided herein.

**SECTION 14. 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 City funds are authorized to be secured by the laws of the State of Florida. Except as otherwise provided herein, 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 City for the purposes herein provided and to establish certain priorities for application of such revenues and assets.

**SECTION 15. INVESTMENTS AND USE OF PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE OF 1986.** The City covenants to the Owners of the Series 2007A 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 Series 2007A Bonds, and shall refrain from taking any actions that would cause interest on the Series 2007A Bonds to be included in gross income for federal income tax purposes. In particular, the City will not make or direct the making of any investment or

other use of the proceeds of the Series 2007A Bonds which would cause such Series 2007A 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 Series 2007A Bonds.

SECTION 16. DESIGNATION UNDER SECTION 265(b)(3) OF THE CODE.

The City hereby designates the Series 2007A Bonds as qualified tax-exempt obligations under Section 265(b)(3)(B) of the Code, and shall make all necessary filings in order to effectuate such election. The City represents that neither the City nor any subordinate entities or entities issuing tax-exempt obligations on behalf of the City within the meaning of Section 265(b)(3) of the Code expect to issue tax-exempt obligations during calendar year 2007, other than the Series 2007A Bonds.

SECTION 17. ARBITRAGE REBATE COVENANTS. There is hereby created and established a fund to be held by the City, designated the "City of Doral Capital Improvement Revenue Bonds, Series 2007A Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the City separate and apart from all other funds and accounts held by the City under this Resolution and from all other moneys of the City.

Notwithstanding anything in this Resolution to the contrary, the City shall deposit in the Rebate Fund the amounts required to be deposited in order to comply with the Rebate Covenants, if any, attached as an Exhibit to the Arbitrage Certificate to be delivered by the City on the date of delivery of the Series 2007A Bonds (the "Rebate Covenants"), when such amounts are so required to be deposited. The City Manager 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 City covenants for the benefit of the Owners of the Series 2007A 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 City shall not be required to comply with the requirements of this Section 17 in the event that the City 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 Series 2007A Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Series 2007A Bonds, so long as the City agrees to comply with those other requirements.

SECTION 18. SPECIAL COVENANTS.

- (a) The City shall, within one hundred eighty (180) days of the end of each fiscal year of the City, deliver to the Owners a copy of the annual audited financial statements of the City. Within thirty (30) days of its final adoption, the City shall deliver to the Owners a copy of the operating budget for each upcoming

fiscal year of the City. The City shall deliver any amendments to its approved investment policy to the Bank. The City shall comply with all City, County, State, and Federal reporting requirements and shall deliver copies of the filed reports to the Bank within a reasonable time.

- (b) The City hereby covenants that, so long as the Series 2007 Bonds are outstanding, (i) it shall not issue any Debt that is senior to the Series 2007 Bonds as to the covenant to budget and appropriate from Non-Ad Valorem Revenues, and (ii) it shall not issue additional Debt (other than any bonds issued to refund the Series 2007 Bonds) secured in the same manner as the Series 2007 Bonds (as specified in Section 10 hereof), unless on the date of issuance of such additional Debt the Debt Service Coverage Ratio for the current fiscal year of the City is at least 1.0 to 1.0.
- (c) As used in this Section 18, the following terms shall have the meaning ascribed to them in this subsection:
  - (i) "Debt" shall mean any obligation of the City to repay borrowed money however evidenced.
  - (ii) "Debt Service Coverage Ratio" shall mean the ratio of (a) all Non-Ad Valorem Revenues (as defined in Section 10 hereof) of the City as budgeted for the current fiscal year, to (b) the sum of (1) the Debt Service due in the current fiscal year, on the Series 2006A Bonds, the Series 2007 Bonds, and all other outstanding Debt, plus (2) the Debt Service on the additional Debt proposed to be incurred, as estimated for the first fiscal year in which principal will be payable on that Debt, following the year current fiscal year, plus (3) all operating expenses of the City for the current fiscal year.
  - (iii) "Debt Service" shall include, without limitation thereto, scheduled interest payments, repayments of principal and all financial fees arising from Debt or from the underlying contractual obligations, whether as originally incurred or subsequently deferred or otherwise renegotiated. For Debt bearing interest at a variable rate, the rate used in determining the amount of Debt Service in a fiscal year is the average rate for the preceding year or, if the Debt was not outstanding in the preceding year, the current rate, or, for the proposed Debt, the proposed initial variable rate.
  - (iv) "General Fund" shall mean any and all revenues of the City, from whatever source derived, except those revenues derived from special assessments, user fees and charges and designated as a separate fund to finance goods and services to the public.

**SECTION 19. COVENANTS BINDING ON CITY AND SUCCESSOR. All**

covenants, stipulations, obligations and agreements of the City contained in this Resolution constitute a contract between the City and the Owners of the Series 2007 Bonds and shall be deemed to be covenants, stipulations, obligations and agreements of the City 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 City or upon the City Council by the provisions of this Resolution shall be exercised or performed by the City 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 City Council or officer, agent or employee of the City in his or her individual capacity, and neither the members of the City Council nor any officer, agent or employee of the City executing the Series 2007 Bonds shall be liable personally on the Series 2007 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 20.      EVENTS OF DEFAULT. Each of the following events is hereby declared an "event of default":

- (a) payment of the principal of or amortization installments of any of the Series 2007 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 Series 2007 Bonds shall not be made when the same shall become due and payable; or
- (c) the City shall incur additional Debt in violation of the covenant in Section 18(b) of this Resolution; or
- (d) the City shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Series 2007 Bonds or in this Resolution (except for a default described in subsection (a) or (b) of this Section) on the part of the City 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 City 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 Owners and the City, and the City commences within such sixty (60) days and, in the sole judgment of the Owners, is proceeding diligently with action to correct such default; or

- (e) any proceeding shall be instituted with or without the consent of the City under federal bankruptcy laws or other federal or state laws affecting creditors' rights or any proceeding shall otherwise be instituted for the purpose of effecting a composition between the City 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 any such proceeding shall not have been dismissed with prejudice within thirty (30) days after the institution of the same.

**SECTION 21. REMEDIES; RIGHTS OF OWNERS.** Upon the occurrence and continuance of any event of default specified in Section 20 hereof, (a) the Owners of the Series 2007 Bonds may, by notice to the City, declare the principal and any accrued interest on the Series 2007 Bonds to be immediately due and payable, and upon that declaration the principal and interest shall become due and payable, and (b) the Owners of the Series 2007 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 Series 2007 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 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 City agrees, to the extent permitted by law, to indemnify the Bank and its directors, officers, employees and agents from and 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 Series 2007 Bonds.

**SECTION 22. 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 any series of the Series 2007 Bonds in any one or more of the following ways.
  - (i) by paying the principal of, prepayment premium, if any, and interest on any series of the Series 2007 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 any series of the Series 2007 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 series of Series 2007 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 any series of the Series 2007 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 series of Series 2007 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 22, the applicable series of Series 2007 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 City hereunder and all liability of the City with respect to said applicable series of Series 2007 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 series of the Series 2007 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 3 hereof and (ii) in the event that any series of the Series 2007 Bonds are not by their terms subject to redemption with the next succeeding sixty (60) days following a deposit of moneys with the escrow agent in accordance with this Section, the City shall have given the escrow agent in form satisfactory to it irrevocable instructions to mail to the Owners of such series of the Series 2007 Bonds at their addresses as they appear on the registration books of the City, a notice stating that a deposit in accordance with this Section has been made with the escrow agent and that the applicable series of Series 2007 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 series of the Series 2007 Bonds.

- (b) Notwithstanding the foregoing, all references to the discharge and satisfaction of a series of the Series 2007 Bonds shall include the discharge and satisfaction of any portion of such series of the Series 2007 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 a series of the Series 2007 Bonds is not required for such purpose, the escrow agent shall transfer to the City the amount of such excess and the City may use the amount of such excess free and clear of any trust, lien,

security interest, pledge or assignment securing said series of Series 2007 Bonds or otherwise existing under this Resolution.

SECTION 23. SALE OF SERIES 2007 BONDS. Based upon the agreements made by the City with the Bank at the time of issuance of the Series 2006B Bonds, the City hereby determines the necessity for a negotiated sale of the Series 2007 Bonds to the Bank. The City has been provided all applicable disclosure information required by Section 218.385, Florida Statutes. The negotiated sale of the Series 2007 Bonds is hereby approved to the Bank at a purchase price of par.

SECTION 24. AUTHORITY OF OFFICERS. The Mayor, the Vice Mayor, any member of the Council, the City Manager, the City Clerk, the Finance Director and any other proper official of the City, 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 25. SEVERABILITY. In case any one or more of the provisions of this Resolution or of any Series 2007 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 Series 2007 Bonds, but this Resolution and the Series 2007 Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Series 2007 Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

SECTION 26. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date of maturity of interest on or principal of the Series 2007 Bonds shall not be a Business Day, then payment of such interest or principal need not be made by the City on such date but may be made on the next succeeding Business Day, but interest shall accrue from the due date to the date of actual payment.

SECTION 27. OPEN MEETING FINDINGS. It is hereby found and determined that all official acts of the City Council concerning and relating to the adoption of this Resolution and all prior resolutions affecting the City Council's ability to issue the Series 2007 Bonds were taken in an open meeting of the City Council and that all deliberations of the City 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 28. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

SECTION 29. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage and adoption.

The foregoing Resolution was offered by Councilwoman Ruiz who moved its adoption. The motion was seconded by Councilman Van Name and upon being put to a vote, the vote was as follows:

Mayor Juan Carlos Bermudez	Yes
Vice Mayor Peter Cabrera	Absent
Councilmember Michael DiPietro	Yes
Councilmember Sandra Ruiz	Yes
Councilmember Robert Van Name	Yes

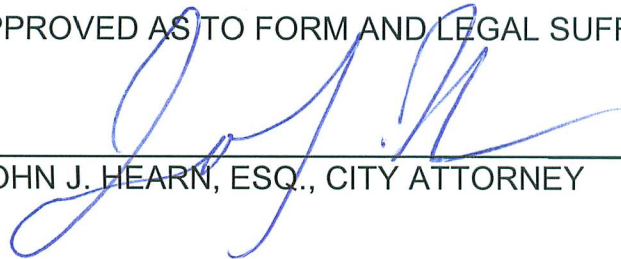
PASSED AND ADOPTED this 10<sup>th</sup> day of January, 2007.

  
\_\_\_\_\_  
JUAN CARLOS BERMUDEZ, MAYOR

ATTEST:

  
\_\_\_\_\_  
BARBARA HERRERA, CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

  
\_\_\_\_\_  
JOHN J. HEARN, ESQ., CITY ATTORNEY



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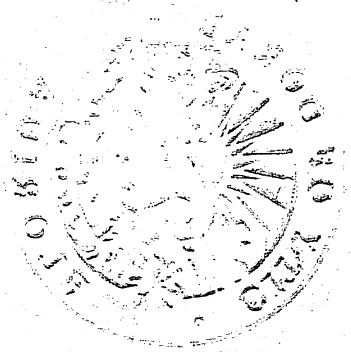
Yes  
No  
Yes  
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**EXHIBIT "A"**

**[FORM OF SERIES 2007A BONDS]**

**No. RA-**

**\$10,000,000**

**UNITED STATES OF AMERICA**

**STATE OF FLORIDA**

**CITY OF DORAL**

**CAPITAL IMPROVEMENT REVENUE BONDS  
SERIES 2007A**

Registered Owner: \_\_\_\_\_

Principal Amount: \$10,000,000

**KNOW ALL MEN BY THESE PRESENTS**, that the City of Doral, Florida (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns (the "Bank"), from the sources hereinafter mentioned, the Principal Amount specified above. Subject to the rights of prior prepayment and redemption described in this Series 2007A Bond, this Series 2007A Bond shall mature on April 1, 2027. Payments due hereunder shall be made no later than 2:00 p.m. on the date due, free and clear of any defenses, set-offs, counterclaims, or withholding or deductions for taxes.

This Series 2007A Bond is issued under authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Part II of Chapter 166, Florida Statutes, as amended, Part VII of Chapter 159, Florida Statutes, as amended, the Charter of the City, Ordinance No. 06-08 duly adopted by the City Council (the "Council") of the City on March 8, 2006 (the "Ordinance"), and Resolution No. 06-\_\_\_\_ adopted on January 10, 2007 (the "Resolution," and collectively with the Ordinance, the "Bond Ordinance"), and is subject to the terms of said Bond Ordinance. This Bond is issued for the purpose of refunding, on a tax-exempt basis, \$10,000,000 of the City's Capital Improvement Revenue Bonds, Series 2006B (Taxable). This Series 2007A Bond shall be payable only from the sources identified herein.

Subject to adjustment as provided below, this Series 2007A Bond shall bear interest on the outstanding principal balance from its date of issuance at a variable rate equal to 3-Month LIBOR, plus 45 basis points (0.45%) (the "Variable Rate"). Interest shall be payable quarterly on the first day of each January, April, July, and October (the "Interest Payment Dates") beginning April 1, 2007. The Owner of this Series 2007A Bond agrees to send the

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City a calculation showing the estimated amount of interest coming due on each Interest Payment Date at least thirty (30) days prior to such Interest Payment Date, and a calculation showing the actual amount of interest due on such date within seven (7) days after such date. The initial Variable Rate shall be based on 3-Month LIBOR in effect two business Days before the date of issuance of the Series 2007A Bonds. The Variable Rate shall be adjusted on each Interest Payment Date, beginning on July 1, 2007, based on 3-Month LIBOR in effect on the next-to-last Business Day of the previous month. As used herein, "3-Month LIBOR" means the London Interbank Offered Rate Three Month published by the British Bankers Association as reported in the *Wall Street Journal* on the date of determination, or if not so reported, then such service as determined by Regions Bank (the "Bank") from another recognized source of interbank quotations for U.S. dollar deposits of a three-month maturity. "Business Day" means any day other than a Saturday, Sunday, or other day on which the Bank is lawfully closed.

Interest on this Series 2007A Bond shall be computed on the basis of a 360-day year based on twelve 30-day months.

Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall occur, the rate of interest on the Series 2007A Bonds shall be increased to the variable rate equal to 3-Month LIBOR plus 45 basis points (0.45%) (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Series 2007A Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Series 2007A Bonds or any former Owners of the Series 2007A 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 Series 2007A Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the City 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 Series 2007A Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested with the Internal Revenue Service by either the City or any Owners of the Series 2007A Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Series 2007A 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 City to the effect that interest on Series 2007A Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, or (iv) receipt by the City of an opinion of bond counsel to the City to the effect that interest on the Series 2007A Bonds is includable for federal income tax purpose in the gross income of the Owners thereof.

Adjustment of Interest Rate for Partial Taxability. In the event that interest on the Series 2007A Bonds during any period becomes partially taxable as a result of a Determination of Taxability applicable to less than all of the Series 2007A Bonds, then the

interest rate on the Series 2007A Bonds shall be increased during such period by an amount equal to:  $(A-B) \times C$  where:

- (a) A equals the Taxable Rate (expressed as a percentage);
- (b) B equals the Variable Rate (expressed as a percentage); and
- (c) C equals the portion of the Series 2007A Bonds the interest on which has become taxable as the result of the Determination of Taxability (expressed as a decimal).

In addition, the Owners of the Series 2007A Bonds or any former Owners of the Series 2007A 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 Series 2007A Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the City on the next succeeding Interest Payment Date following the Determination of Taxability.

Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Series 2007A Bonds on a tax-exempt basis, changes from the Maximum Corporate Tax Rate then in effect, the interest rate on the Series 2007A Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Series 2007A Bonds by a fraction equal to  $(1-A \text{ divided by } 1-B)$ , where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Series 2007A 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 Series 2007A Bonds or causes a reduction in yield on the Series 2007A Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Series 2007A Bonds, including without limitation the imposition of any excise tax or surcharge thereon, (b) if, as a result of action by any public 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 Series 2007A Bonds (other than by reason of a 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 Series 2007A Bonds) by reason of the ownership of the Series 2007A Bonds, or (c) if there is any change in reserve requirements or in the interpretation thereof, or in accounting practice, or in other laws applicable to banks, loans or financings, or interpretations thereof, which results in increased costs to the Bank as a result of holding the Series 2007A Bonds, the City shall reimburse any such Owner within

five (5) days after receipt by the City of written demand for such payment, and the City agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change. The determination of the after-tax yield calculation or the effect of any change described in (c) shall be verified by a firm of certified public accountants regularly employed by the Bank (or the current Owner of the Series 2007A Bonds) and acceptable to the City, and such calculation, in the absence of manifest error, shall be binding on the City and the Owners.

Adjustment of Interest Rate Upon an Event of Default. If an “event of default” occurs under Sections 20(a) or (b) of the Resolution and continues for a period of ten (10) days, the interest rate on the Series 2007A Bonds shall immediately be adjusted after the tenth day and for so long thereafter as the default continues, to a rate equal to the then current rate on the Series 2007A Bonds, plus three percent (3%). If an “event of default” occurs under Sections 20(c), (d) or (e) of the Resolution, the interest rate on the Series 2007A Bonds shall immediately be adjusted after the end of any grace period provided for in the applicable section (but only upon a declaration of a default by the Owners of the Series 2007A Bonds) and for so long thereafter as the default continues, to a rate equal to the then current rate on the Series 2007A Bonds, plus three percent (3%).

The principal of the Series 2007A Bonds shall be subject to mandatory prepayment in quarterly installments on each Interest Payment Date, commencing July 1, 2007 (each a “Scheduled Due Date”), in the amounts shown on the schedule attached hereto.

In the event that there is more than one Owner of the Series 2007A Bonds, (A) the City shall determine the amount of each Bond to be redeemed, and (B) the City shall give notice to each Owner of the Series 2007A Bonds at least three (3) days prior to the date of mandatory redemption of the amount of each Bond to be redeemed.

The principal of and interest on this Series 2007A 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 City.

This Series 2007A Bond is subject to optional prepayment, upon thirty (30) days written notice to the Owners of the Series 2007A Bonds, in whole or in part at any time at par, plus accrued interest to the date of prepayment.

The City has covenanted and agreed in the Bond Ordinance to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues (as defined below) lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Series 2007A Bonds in accordance with their terms during such fiscal year. “Non-Ad Valorem Revenues” means all revenues of the City 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 Ordinance; but only after provision has been made by the City for the payment of all essential or legally mandated services not



otherwise provided for by ad valorem taxes. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such 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 City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues. Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future a specific source of its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owners a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such 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 Ordinance shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Bond Ordinance, subject, however, in all respects to the terms of the Bond Ordinance 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 or 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 City or which are legally mandated by applicable law.

THIS SERIES 2007A BOND SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OF THE CITY OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, BUT SHALL BE PAYABLE EXCLUSIVELY FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY. THE ISSUANCE OF THIS SERIES 2007A BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR NOR SHALL THIS SERIES 2007A BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, AND THE HOLDER OF THIS SERIES 2007A BOND SHALL HAVE NO RECOURSE TO THE POWER OF TAXATION.

The original registered Owner, and each successive registered Owner of this Series 2007A Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

1. The City shall keep books for the registration of Series 2007A Bonds and for the registration of transfers of Series 2007A Bonds as provided in the Resolution. Series 2007A Bonds may be transferred or exchanged upon the registration books kept by the City, upon delivery to the City, together with

written instructions as to the details of the transfer or exchange, of such Series 2007A Bonds in form satisfactory to the City and with guaranty of signatures satisfactory to the City, 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 Series 2007A Bonds may be exchanged for Series 2007A 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 Series 2007A Bond shall be effective until entered on the registration books maintained by the City.

2. The City may deem and treat the person in whose name any Series 2007A Bond shall be registered upon the books of the City as the absolute Owner of such Series 2007A Bond, whether such Series 2007A Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2007A 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 Series 2007A Bond to the extent of the sum or sums so paid.
3. In all cases in which the privilege of exchanging Series 2007A Bonds or transferring Series 2007A Bonds is exercised, the City shall execute and deliver Series 2007A Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Series 2007A Bonds, but the City 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 City shall not be required to transfer or exchange Series 2007A Bonds for a period of fifteen (15) days next preceding an interest payment date on such Series 2007A Bonds.
4. All Series 2007A Bonds, the principal and interest of which has been paid, either at or prior to maturity, shall be delivered to the City when such payment is made, and shall thereupon be cancelled. In case part, but not all of an outstanding Series 2007A Bond shall be prepaid, such Series 2007A Bond shall not be surrendered in exchange for a new Series 2007A 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 Series 2007A 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 City of Doral, Florida has caused this Series 2007A Bond to be executed by the manual or facsimile signature of its Mayor and of its City Clerk, and the Seal of the City of Doral, Florida or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, all as of the 16th day of January, 2007.

CITY OF DORAL, FLORIDA

JCB  
Mayor

Barbara Henric  
City 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 Series 2007A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ (the "Transferee") as attorney to register the transfer of the within Series 2007A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date \_\_\_\_\_

\_\_\_\_\_ Social Security Number of Assignee

Signature Guaranteed:

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 Series 2007A 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 Series 2007A 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 Series 2007A Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UNIF GIF MIN ACT -  
\_\_\_\_\_, (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.

## Bond Redemption Schedule- City of Doral

<b>Principal Amount</b>	<b>Loan Commencement</b>	<b>First Payment Date</b>	<b>Maturity</b>	<b>Amortization (Years)</b>	<b>Interest Rate</b>
\$10,000,000.00	1/16/2007	4/2/2007	4/1/2027	20	4.27%

<b>Frequency</b> Monthly
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**Bank Location:** Coral Gables, FL

**Bank No:**

Payment Numbers	Period End Dates	Payment Dates	Principal Payment	Remaining Principal
				\$10,000,000.00
1	4/1/2007	4/2/2007	\$0.00	\$10,000,000.00
2	7/1/2007	7/2/2007	\$79,758.44	\$9,920,241.56
3	10/1/2007	10/1/2007	\$80,609.85	\$9,839,631.71
4	1/1/2008	1/2/2008	\$81,470.37	\$9,758,161.34
5	4/1/2008	4/1/2008	\$82,340.06	\$9,675,821.28
6	7/1/2008	7/1/2008	\$83,219.05	\$9,592,602.23
7	10/1/2008	10/1/2008	\$84,107.40	\$9,508,494.83
8	1/1/2009	1/2/2009	\$85,005.26	\$9,423,489.57
9	4/1/2009	4/1/2009	\$85,912.68	\$9,337,576.89
10	7/1/2009	7/1/2009	\$86,829.80	\$9,250,747.09
11	10/1/2009	10/1/2009	\$87,756.71	\$9,162,990.38
12	1/1/2010	1/4/2010	\$88,693.52	\$9,074,296.86
13	4/1/2010	4/1/2010	\$89,640.31	\$8,984,656.55
14	7/1/2010	7/1/2010	\$90,597.23	\$8,894,059.32
15	10/1/2010	10/1/2010	\$91,564.35	\$8,802,494.97
16	1/1/2011	1/4/2011	\$92,541.81	\$8,709,953.16
17	4/1/2011	4/1/2011	\$93,529.68	\$8,616,423.48
18	7/1/2011	7/1/2011	\$94,528.12	\$8,521,895.36
19	10/1/2011	10/3/2011	\$95,537.20	\$8,426,358.16
20	1/1/2012	1/3/2012	\$96,557.06	\$8,329,801.10
21	4/1/2012	4/2/2012	\$97,587.81	\$8,232,213.29
22	7/1/2012	7/2/2012	\$98,629.56	\$8,133,583.73
23	10/1/2012	10/1/2012	\$99,682.43	\$8,033,901.30
24	1/1/2013	1/2/2013	\$100,746.54	\$7,933,154.76
25	4/1/2013	4/2/2013	\$101,822.01	\$7,831,332.75
26	7/1/2013	7/1/2013	\$102,908.96	\$7,728,423.79
27	10/1/2013	10/1/2013	\$104,007.51	\$7,624,416.28
28	1/1/2014	1/2/2014	\$105,117.79	\$7,519,298.49
29	4/1/2014	4/1/2014	\$106,239.92	\$7,413,058.57

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30	7/1/2014	7/1/2014	\$107,374.04	\$7,305,684.53
31	10/1/2014	10/1/2014	\$108,520.25	\$7,197,164.28
32	1/1/2015	1/2/2015	\$109,678.71	\$7,087,485.57
33	4/1/2015	4/1/2015	\$110,849.53	\$6,976,636.04
34	7/1/2015	7/1/2015	\$112,032.84	\$6,864,603.20
35	10/1/2015	10/1/2015	\$113,228.80	\$6,751,374.40
36	1/1/2016	1/4/2016	\$114,437.51	\$6,636,936.89
37	4/1/2016	4/1/2016	\$115,659.14	\$6,521,277.75
38	7/1/2016	7/1/2016	\$116,893.79	\$6,404,383.96
39	10/1/2016	10/3/2016	\$118,141.64	\$6,286,242.32
40	1/1/2017	1/3/2017	\$119,402.80	\$6,166,839.52
41	4/1/2017	4/3/2017	\$120,677.42	\$6,046,162.10
42	7/1/2017	7/3/2017	\$121,965.66	\$5,924,196.44
43	10/1/2017	10/2/2017	\$123,267.64	\$5,800,928.80
44	1/1/2018	1/2/2018	\$124,583.52	\$5,676,345.28
45	4/1/2018	4/3/2018	\$125,913.45	\$5,550,431.83
46	7/1/2018	7/2/2018	\$127,257.57	\$5,423,174.26
47	10/1/2018	10/1/2018	\$128,616.05	\$5,294,558.21
48	1/1/2019	1/2/2019	\$129,989.03	\$5,164,569.18
49	4/1/2019	4/1/2019	\$131,376.66	\$5,033,192.52
50	7/1/2019	7/1/2019	\$132,779.11	\$4,900,413.41
51	10/1/2019	10/1/2019	\$134,196.52	\$4,766,216.89
52	1/1/2020	1/2/2020	\$135,629.07	\$4,630,587.82
53	4/1/2020	4/1/2020	\$137,076.91	\$4,493,510.91
54	7/1/2020	7/1/2020	\$138,540.21	\$4,354,970.70
55	10/1/2020	10/1/2020	\$140,019.12	\$4,214,951.58
56	1/1/2021	1/4/2021	\$141,513.83	\$4,073,437.75
57	4/1/2021	4/1/2021	\$143,024.48	\$3,930,413.27
58	7/1/2021	7/1/2021	\$144,551.28	\$3,785,861.99
59	10/1/2021	10/1/2021	\$146,094.36	\$3,639,767.63
60	1/1/2022	1/4/2022	\$147,653.91	\$3,492,113.72
61	4/1/2022	4/1/2022	\$149,230.13	\$3,342,883.59
62	7/1/2022	7/1/2022	\$150,823.15	\$3,192,060.44
63	10/1/2022	10/3/2022	\$152,433.19	\$3,039,627.25
64	1/1/2023	1/3/2023	\$154,060.41	\$2,885,566.84
65	4/1/2023	4/3/2023	\$155,705.01	\$2,729,861.83
66	7/1/2023	7/3/2023	\$157,367.17	\$2,572,494.66
67	10/1/2023	10/2/2023	\$159,047.05	\$2,413,447.61
68	1/1/2024	1/2/2024	\$160,744.88	\$2,252,702.73
69	4/1/2024	4/2/2024	\$162,460.84	\$2,090,241.89
70	7/1/2024	7/1/2024	\$164,195.10	\$1,926,046.79
71	10/1/2024	10/1/2024	\$165,947.89	\$1,760,098.90
72	1/1/2025	1/2/2025	\$167,719.38	\$1,592,379.52
73	4/1/2025	4/1/2025	\$169,509.78	\$1,422,869.74
74	7/1/2025	7/1/2025	\$171,319.30	\$1,251,550.44
75	10/1/2025	10/1/2025	\$173,148.14	\$1,078,402.30
76	1/1/2026	1/2/2026	\$174,996.49	\$903,405.81
77	4/1/2026	4/1/2026	\$176,864.58	\$726,541.23
78	7/1/2026	7/1/2026	\$178,752.60	\$547,788.63
79	10/1/2026	10/1/2026	\$180,660.80	\$367,127.83

80	1/1/2027	1/4/2027	\$182,589.34	\$184,538.49
81	4/1/2027	4/1/2027	\$184,538.49	\$0.00

**EXHIBIT "B"**

**[FORM OF SERIES 2007B BONDS]**

**No. RB-**

**\$1,250,000**

**UNITED STATES OF AMERICA**

**STATE OF FLORIDA**

**CITY OF DORAL**

**CAPITAL IMPROVEMENT REVENUE BONDS  
SERIES 2007B  
(TAXABLE)**

Registered Owner: \_\_\_\_\_

Principal Amount: \$1,250,000

**KNOW ALL MEN BY THESE PRESENTS**, that the City of Doral, Florida (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns (the "Bank"), from the sources hereinafter mentioned, the Principal Amount specified above. Subject to the rights of prior prepayment and redemption described in this Series 2007B Bond, this Series 2007B Bond shall mature on April 1, 2027. Payments due hereunder shall be made no later than 2:00 p.m. on the date due, free and clear of any defenses, set-offs, counterclaims, or withholding or deductions for taxes.

This Series 2007B Bond is issued under authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Part II of Chapter 166, Florida Statutes, as amended, Part VII of Chapter 159, Florida Statutes, as amended, the Charter of the City, Ordinance No. 06-08 duly adopted by the City Council (the "Council") of the City on March 8, 2006 (the "Ordinance"), and Resolution No. 06-\_\_\_\_ adopted on January 10, 2007 (the "Resolution," and collectively with the Ordinance, the "Bond Ordinance"), and is subject to the terms of said Bond Ordinance. This Bond is issued for the purpose of refunding, on a taxable basis, \$1,250,000 of the City's Capital Improvement Revenue Bonds, Series 2006B (Taxable). This Series 2007B Bond shall be payable only from the sources identified herein.

Subject to adjustment as provided below, the interest rate on the Series 2007B Bonds shall be 5.88% per annum from their date of issuance through and including April 1, 2010 (the "Fixed Rate Period"). The City may, at any time during the Fixed Rate Period, elect to change the interest rate on the Series 2007B Bonds to a variable rate. In such

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case (or if the City does not so elect, then for the period beginning on April 2, 2010 through the maturity date of the Series 2007B Bonds), the interest rate on the Series 2007B Bonds shall be the variable rate equal to 3-Month LIBOR in effect two Business Days before the interest rate becomes effective, plus 45 basis points (0.45%). The Bank agrees to send the City a calculation showing the estimated amount of interest coming due on each Interest Payment Date at least thirty (30) days prior to such Interest Payment Date, and a calculation showing the actual amount of interest due on such date within seven (7) days after such date. The Variable Rate shall be adjusted on each Interest Payment Date based on 3-Month LIBOR in effect on the next-to-last Business Day of the previous month. In addition, at any time prior to the maturity date of the Series 2007B Bonds, the City may elect to enter into a swap agreement with the Bank for a period of up to the remaining term of the Series 2007B Bonds in order to effectively fix the rate on the Series 2007B Bonds for such period.

Interest on this Series 2007B Bond shall be computed on the basis of a 360-day year based on twelve 30-day months.

So long as any portion of the principal amount of the Series 2007B Bonds or interest thereon remains unpaid, if there is any change in reserve requirements or in the interpretation thereof, or in accounting practice, or in other laws applicable to banks, loans or financings, or interpretations thereof, which results in increased costs to the Bank as a result of holding the Series 2007B Bonds, the City shall reimburse the Bank within five (5) days after receipt by the City of written demand for such payment, and the City agrees to indemnify the Bank against any loss, cost, charge or expense with respect to any such change. The determination of the effect of any such change shall be verified by a firm of certified public accountants regularly employed by the Bank (or the current Owner of the Series 2007B Bonds) and acceptable to the City, and such calculation, in the absence of manifest error, shall be binding on the City and the Owners.

If an "event of default" occurs under Sections 20(a) or (b) of this Resolution and continues for a period of ten (10) days, the interest rate on the Series 2007B Bonds shall immediately be adjusted after the tenth day and for so long thereafter as the default continues, to a rate equal to the then current rate on the Series 2007B Bonds, plus three percent (3%). If an "event of default" occurs under Sections 20(c), (d) or (e) of the Resolution, the interest rate on the Series 2007B Bonds shall immediately be adjusted after the end of any grace period provided for in the applicable section (but only upon a declaration of a default by the Owners of the Series 2007B Bonds) and for so long thereafter as the default continues, to a rate equal to the then current rate on the Series 2007B Bonds, plus three percent (3%).

The principal of the Series 2007B Bonds shall be subject to mandatory prepayment in quarterly installments on each Interest Payment Date, commencing July 1, 2007 (each a "Scheduled Due Date"), in the amounts shown on the schedule attached hereto.

In the event that there is more than one Owner of the Series 2007B Bonds, (A) the City shall determine the amount of each Bond to be redeemed, and (B) the City shall give

notice to each Owner of the Series 2007B Bonds at least three (3) days prior to the date of mandatory redemption of the amount of each Bond to be redeemed.

The principal of and interest on this Series 2007B 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 City.

This Series 2007B Bond is subject to optional prepayment, upon thirty (30) days written notice to the Owners of the Series 2007B Bonds, in whole or in part at any time at par, plus accrued interest to the date of prepayment.

The City has covenanted and agreed in the Bond Ordinance to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues (as defined below) lawfully available in each fiscal year, amounts sufficient to pay the principal and interest due on the Series 2007B Bonds in accordance with their terms during such fiscal year. "Non-Ad Valorem Revenues" means all revenues of the City 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 Ordinance; but only after provision has been made by the City for the payment of all essential or legally mandated services not otherwise provided for by ad valorem taxes. Such covenant and agreement on the part of the City to budget and appropriate such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such 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 City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues. Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future a specific source of its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Owners a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such 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 Ordinance shall have the effect of making available in the manner described herein Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Bond Ordinance, subject, however, in all respects to the terms of the Bond Ordinance 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 or 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 City or which are legally mandated by applicable law.

THIS SERIES 2007B BOND SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OF THE CITY OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, BUT SHALL BE PAYABLE EXCLUSIVELY FROM LEGALLY AVAILABLE NON-AD VALOREM REVENUES OF THE CITY. THE ISSUANCE OF THIS SERIES 2007B BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR NOR SHALL THIS SERIES 2007B BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE CITY, AND THE HOLDER OF THIS SERIES 2007B BOND SHALL HAVE NO RECOURSE TO THE POWER OF TAXATION.

The original registered Owner, and each successive registered Owner of this Series 2007B Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

1. The City shall keep books for the registration of Series 2007B Bonds and for the registration of transfers of Series 2007B Bonds as provided in the Resolution. Series 2007B Bonds may be transferred or exchanged upon the registration books kept by the City, upon delivery to the City, together with written instructions as to the details of the transfer or exchange, of such Series 2007B Bonds in form satisfactory to the City and with guaranty of signatures satisfactory to the City, 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 Series 2007B Bonds may be exchanged for Series 2007B 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 Series 2007B Bond shall be effective until entered on the registration books maintained by the City.
2. The City may deem and treat the person in whose name any Series 2007B Bond shall be registered upon the books of the City as the absolute Owner of such Series 2007B Bond, whether such Series 2007B Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2007B 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 Series 2007B Bond to the extent of the sum or sums so paid.
3. In all cases in which the privilege of exchanging Series 2007B Bonds or transferring Series 2007B Bonds is exercised, the City shall execute and

deliver Series 2007B Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Series 2007B Bonds, but the City 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 City shall not be required to transfer or exchange Series 2007B Bonds for a period of fifteen (15) days next preceding an interest payment date on such Series 2007B Bonds.

4. All Series 2007B Bonds, the principal and interest of which has been paid, either at or prior to maturity, shall be delivered to the City when such payment is made, and shall thereupon be cancelled. In case part, but not all of an outstanding Series 2007B Bond shall be prepaid, such Series 2007B Bond shall not be surrendered in exchange for a new Series 2007B 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 Series 2007B 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 City of Doral, Florida has caused this Series 2007B Bond to be executed by the manual or facsimile signature of its Mayor and of its City Clerk, and the Seal of the City of Doral, Florida or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, all as of the 16th day of January, 2007.

CITY OF DORAL, FLORIDA

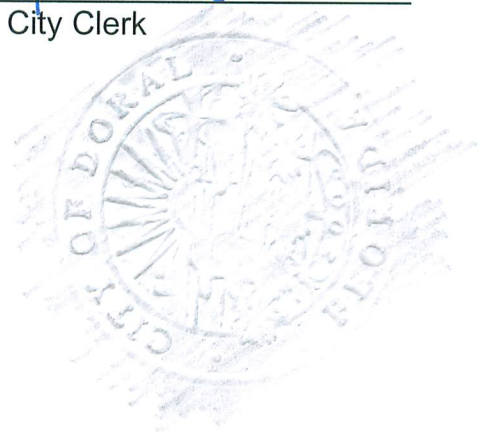


\_\_\_\_\_  
Mayor



\_\_\_\_\_  
City Clerk

(SEAL)



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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 Series 2007B Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ (the "Transferee") as attorney to register the transfer of the within Series 2007B Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date \_\_\_\_\_

\_\_\_\_\_ Social Security Number of Assignee

Signature Guaranteed:

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 Series 2007B 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 Series 2007B 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 Series 2007B Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UNIF GIF MIN ACT -  
\_\_\_\_\_, (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.

## Bond Redemption Schedule- City of Doral

<b>Principal Amount</b>	<b>Loan Commencement</b>	<b>First Payment Date</b>	<b>Maturity</b>	<b>Amortization (Years)</b>	<b>Interest Rate</b>
\$1,250,000.00	1/16/2007	4/2/2007	4/1/2027	20	5.88%

<b>Frequency</b> Quarterly
-------------------------------

**Bank Location:** Coral Gables, FL

**Bank No:**

Payment Numbers	Period End Dates	Payment Dates	Interest Payment	Principal Payment	Remaining Principal
					\$1,250,000.00
1	4/1/2007	4/2/2007	\$18,375.00	\$0.00	\$1,250,000.00
2	7/1/2007	7/2/2007	\$18,375.00	\$8,300.37	\$1,241,699.63
3	10/1/2007	10/1/2007	\$18,252.98	\$8,422.39	\$1,233,277.24
4	1/1/2008	1/2/2008	\$18,129.18	\$8,546.19	\$1,224,731.05
5	4/1/2008	4/1/2008	\$18,003.55	\$8,671.82	\$1,216,059.23
6	7/1/2008	7/1/2008	\$17,876.07	\$8,799.30	\$1,207,259.93
7	10/1/2008	10/1/2008	\$17,746.72	\$8,928.65	\$1,198,331.28
8	1/1/2009	1/2/2009	\$17,615.47	\$9,059.90	\$1,189,271.38
9	4/1/2009	4/1/2009	\$17,482.29	\$9,193.08	\$1,180,078.30
10	7/1/2009	7/1/2009	\$17,347.15	\$9,328.22	\$1,170,750.08
11	10/1/2009	10/1/2009	\$17,210.03	\$9,465.34	\$1,161,284.73
12	1/1/2010	1/4/2010	\$17,070.89	\$9,604.48	\$1,151,680.25
13	4/1/2010	4/1/2010	\$16,929.70	\$9,745.67	\$1,141,934.58
14	7/1/2010	7/1/2010		\$9,888.93	\$1,132,045.65
15	10/1/2010	10/1/2010		\$10,034.30	\$1,122,011.35
16	1/1/2011	1/4/2011		\$10,181.80	\$1,111,829.55
17	4/1/2011	4/1/2011		\$10,331.48	\$1,101,498.07
18	7/1/2011	7/1/2011		\$10,483.35	\$1,091,014.72
19	10/1/2011	10/3/2011		\$10,637.45	\$1,080,377.27
20	1/1/2012	1/3/2012		\$10,793.82	\$1,069,583.44
21	4/1/2012	4/2/2012		\$10,952.49	\$1,058,630.95
22	7/1/2012	7/2/2012		\$11,113.50	\$1,047,517.46
23	10/1/2012	10/1/2012		\$11,276.86	\$1,036,240.59
24	1/1/2013	1/2/2013		\$11,442.63	\$1,024,797.96
25	4/1/2013	4/2/2013		\$11,610.84	\$1,013,187.12
26	7/1/2013	7/1/2013		\$11,781.52	\$1,001,405.60
27	10/1/2013	10/1/2013		\$11,954.71	\$989,450.89
28	1/1/2014	1/2/2014		\$12,130.44	\$977,320.45
29	4/1/2014	4/1/2014		\$12,308.76	\$965,011.69

30	7/1/2014	7/1/2014	\$12,489.70	\$952,521.99
31	10/1/2014	10/1/2014	\$12,673.30	\$939,848.70
32	1/1/2015	1/2/2015	\$12,859.59	\$926,989.10
33	4/1/2015	4/1/2015	\$13,048.63	\$913,940.47
34	7/1/2015	7/1/2015	\$13,240.45	\$900,700.03
35	10/1/2015	10/1/2015	\$13,435.08	\$887,264.95
36	1/1/2016	1/4/2016	\$13,632.58	\$873,632.37
37	4/1/2016	4/1/2016	\$13,832.97	\$859,799.40
38	7/1/2016	7/1/2016	\$14,036.32	\$845,763.08
39	10/1/2016	10/3/2016	\$14,242.65	\$831,520.43
40	1/1/2017	1/3/2017	\$14,452.02	\$817,068.41
41	4/1/2017	4/3/2017	\$14,664.46	\$802,403.94
42	7/1/2017	7/3/2017	\$14,880.03	\$787,523.91
43	10/1/2017	10/2/2017	\$15,098.77	\$772,425.14
44	1/1/2018	1/2/2018	\$15,320.72	\$757,104.42
45	4/1/2018	4/3/2018	\$15,545.94	\$741,558.49
46	7/1/2018	7/2/2018	\$15,774.46	\$725,784.02
47	10/1/2018	10/1/2018	\$16,006.34	\$709,777.68
48	1/1/2019	1/2/2019	\$16,241.64	\$693,536.04
49	4/1/2019	4/1/2019	\$16,480.39	\$677,055.65
50	7/1/2019	7/1/2019	\$16,722.65	\$660,333.00
51	10/1/2019	10/1/2019	\$16,968.47	\$643,364.52
52	1/1/2020	1/2/2020	\$17,217.91	\$626,146.61
53	4/1/2020	4/1/2020	\$17,471.01	\$608,675.60
54	7/1/2020	7/1/2020	\$17,727.84	\$590,947.76
55	10/1/2020	10/1/2020	\$17,988.44	\$572,959.32
56	1/1/2021	1/4/2021	\$18,252.87	\$554,706.45
57	4/1/2021	4/1/2021	\$18,521.19	\$536,185.27
58	7/1/2021	7/1/2021	\$18,793.45	\$517,391.82
59	10/1/2021	10/1/2021	\$19,069.71	\$498,322.11
60	1/1/2022	1/4/2022	\$19,350.03	\$478,972.08
61	4/1/2022	4/1/2022	\$19,634.48	\$459,337.60
62	7/1/2022	7/1/2022	\$19,923.11	\$439,414.49
63	10/1/2022	10/3/2022	\$20,215.98	\$419,198.51
64	1/1/2023	1/3/2023	\$20,513.15	\$398,685.36
65	4/1/2023	4/3/2023	\$20,814.70	\$377,870.67
66	7/1/2023	7/3/2023	\$21,120.67	\$356,749.99
67	10/1/2023	10/2/2023	\$21,431.15	\$335,318.85
68	1/1/2024	1/2/2024	\$21,746.18	\$313,572.67
69	4/1/2024	4/2/2024	\$22,065.85	\$291,506.81
70	7/1/2024	7/1/2024	\$22,390.22	\$269,116.59
71	10/1/2024	10/1/2024	\$22,719.36	\$246,397.24
72	1/1/2025	1/2/2025	\$23,053.33	\$223,343.91
73	4/1/2025	4/1/2025	\$23,392.21	\$199,951.69
74	7/1/2025	7/1/2025	\$23,736.08	\$176,215.61
75	10/1/2025	10/1/2025	\$24,085.00	\$152,130.61
76	1/1/2026	1/2/2026	\$24,439.05	\$127,691.56
77	4/1/2026	4/1/2026	\$24,798.30	\$102,893.26
78	7/1/2026	7/1/2026	\$25,162.84	\$77,730.42
79	10/1/2026	10/1/2026	\$25,532.73	\$52,197.69



<b>80</b>	<b>1/1/2027</b>	<b>1/4/2027</b>	<b>\$25,908.06</b>	<b>\$26,289.62</b>
<b>81</b>	<b>4/1/2027</b>	<b>4/1/2027</b>	<b>\$26,289.62</b>	<b>\$0.00</b>