

Regular Meeting - March 30, 1978

Gulf Breeze, Florida.

The Board of County Commissioners of Santa Rosa County, Florida, met in regular session on the above date with the following members present: Chairman Butler, Vice-Chairman Smith and members Godwin, Lewis and Rollo. Mr. Tom Justice and the Deputy Clerk were also present. The meeting was called to order at 3:00 P.M. CST by Chairman Butler and opened with prayer by Commissioner Smith. The audience joined the Board in the pledge of allegiance to the flag.

First on the agenda was the City of Milton 201 Facility Plan. Mr. Donovan and Mr. Clark with Baskerville Donovan, and Mr. Harber with the City of Milton, was in attendance. Mr. Harber said they have held one public hearing with no objections to the study area. The final hearing will be held April 11. Mr. Clark explained that they had started off with six alternatives and had selected one plan. The new treatment plant will be constructed near the old plant and will use as much of the old plant as possible; however, most of it will have to be abandoned. Mr. Clark said the first phase will handle 2.5 m.g.d. and the second phase is designed to handle 5 m.g.d. but could handle 6 m.g.d. and the service area outlined can easily be extended. The total cost of phase 1 would be \$8,412,900. with the local share being \$2,103,000. Phase 2 will cost \$2,883,900. with the local share being \$720,900. The present user charge is \$9.87 per customer. If Bagdad should come in the next twenty years the user charge would be about \$14.33. per customer. If East Milton comes in phase 2 the cost would be about \$15.24. per customer. Mr. Clark explained that the higher rate is due to the cost of lift stations for these areas and the scattered population. The possibility of coordinating both the County and the City plan and cover them under one bond issue was discussed briefly and it was the general consensus of the Board that this would be the ideal solution if it can be worked out.

Godwin recommended a Committee be appointed to work with the City of Milton on animal control. The purpose of the Committee will be to come up with a solution for housing and securing animals after they are picked up. The Chairman appointed Godwin, Harber, John Thompson, Larry Jones and the Attorneys for the County and City to work with the Society for the Prevention of Cruelty to Animals. Mr. Donovan spoke briefly on the coastal management plan. He had previously presented for consideration of the Board a position paper prepared by the City of Pensacola Harbors and Waterways Task Force. Mr. Donovan had outlined the position paper which recommended that management of the coastal program be removed from the Department of Environmental Regulation. It was recommended either the Florida Coastal Coordinating Council or the Florida Department of Commerce prepare guidelines after the coastal management policies are established by the legislature. It was also recommended that before the coastal management plan is adopted an economic impact statement should be prepared and presented to the legislature to make it fully aware of the cost of the plan. The information presented to

the Board also included a Resolution passed by the Pensacola City Council supporting Mr. Donovan's recommendation. Godwin said the State Association of County Commissioners and the Florida League of Cities have asked for a year's delay in the coastal management plan. To support Mr. Donovan's recommendation may be giving the legislature an alternative. After some discussion it was the general consensus of the Board that it would stay with its original position for a year's delay.

Gary Acree with Southeastern Municipal Bonds met with the Board concerning the Purchase Contract and the Resolutions for the refunding of the bonds. Attorney Johnson was not in attendance but had approved the instruments as to form. After the reading of the instruments Godwin moved approval, subject to the Attorney's approval, which was seconded by Lewis and carried by majority vote with Rollo opposed. Rollo said he would like to have more time to study the instruments.

"PURCHASE AGREEMENT

1. The undersigned (herein called the "Purchaser") offers to enter into the following agreement with the County of Santa Rosa, Florida (herein referred to as the "County") which, upon your acceptance of this offer, will be binding upon you and upon the Purchaser. This offer is made subject to your acceptance by execution of this Purchase Contract and its delivery to us on or before May 30, 1978.

2. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Purchaser hereby agrees to purchase from you for offering, and you hereby agree to sell to the Purchaser for such purpose, all (but not less than all) of Santa Rosa County, Florida Refunding Certificates of Indebtedness, Series 1977, (herein referred to as "the Certificates") dated December 1, 1977, having the maturities and bearing interest due June 1, 1978, and semi-annually thereafter on each December 1 and June 1 at the rates and terms stated in Schedule 2 attached hereto, at the purchase price of \$3,913,950.00 plus interest accrued on said 1977 Certificates from December 1, 1977 to the date of the Closing.

Bond amortization installments referred to in the authorizing Resolution dated March 1978 (herein referred to as the "Resolution") shall be established and paid into a Bond Amortization Fund in the amount and on the dates as set forth in Schedule 1(A) attached hereto. Should the purchase prices set forth on Schedule 1 (A) attached hereto increase therein prior to Closing, then such increase will be subject to the approval of the County Commission. Any decrease in such purchase price will be reflected at Closing.

3. The 1977 Certificates shall be described in and shall be issued pursuant to the Resolution first adopted on March , 1978 by the County Commission, as supplemented and amended to the date of Closing (such Resolution as supplemented and amended to the date of the Closing sometimes referred to hereinafter as the 'Resolution").

4. At the time of or before the Closing as herein provided, you shall deliver to us a copy of the final Official Statement of the County relating to the 1977 Certificates, together with all exhibits thereto, executed on behalf of the County by your Chairman and County Clerk. You will authorize a Preliminary Official Statement, the information therein contained to be used in connection with the offering and sale of the 1977 Certificates.

5. You will represent and warrant to the Purchaser that the Preliminary Official Statement, as amended by a final Official Statement, as amended by a final Official Statement, will and at all times subsequent thereto up to and including the date of the Closing be true and correct in all material respects, and will not include an untrue statement of a material fact or any other fact necessary to make the statements therein relating to the County and the 1977 Certificates, or omit to state a material fact or any other fact necessary to make the statements therein relating to the 1977 Certificates, in light of the circumstances under which they were made, not misleading.

6. On or before May 30, 1978, or at such other times or on such earlier or later business day as shall be mutually agreed upon by you and us, you will deliver to us the 1977 Certificates, in definitive form and duly executed, together with the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price of the 1977 Certificates as set forth herein, the check or checks, payable in Federal Funds to the order of Santa Rosa County, Florida. Delivery and payment as aforesaid shall be made at a mutually agreed upon location in New York City. This payment and delivery is herein called the "Closing".

7. The obligations of the Purchaser hereunder are subject to the following conditions:

(a) At the time of the Closing, the Resolution shall be in full force and effect as may have been agreed to in writing by us, and you shall have duly adopted and there shall be in full force and effect such additional resolutions as shall, in the opinion of Bond Counsel, Freeman, Richardson, Watson, Slade, McCarthy and Kelly, P.A. be necessary in connection with the transactions contemplated hereby;

(b) At the time of the Closing, a final judgment of the Circuit Court in and for Santa Rosa County shall have been entered, validating the Certificates, which shall be in full force and effect, and there shall be no appeal pending with respect to such decree and the time for such an appeal shall have expired;

(c) We may terminate this Agreement by notification to you if at any time subsequent to the date hereof and at or prior to the Closing in the event that (i) legislation shall be enacted by the Congress or adopted by either House or approved by a Committee thereof or a decision by a Court of the United States or the Tax Court of the United States shall be rendered, or a press release, filing regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other Governmental agency shall be made which would have a material adverse effect on the proposed plan of financing due to a change in the Federal arbitrage laws or with respect to Federal taxation upon revenues or other income of the general character expected to be derived by you or upon interest received on bonds of the general character of the 1977 Certificates, or which would have the effect of changing, directly or indirectly, the Federal income tax consequences of interest on securities of the general character of the 1977 Certificates in the hands of the holders thereof, which in our opinion, materially affects the market price of the 1977 Certificates or (ii) the United States shall become engaged in hostilities which have resulted in a declaration of war or a national emergency, or there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States or New York State authorities.

(d) We may also terminate this Agreement by notification to you if subsequent to the date hereof and at or prior to the Closing, one of the following events occur: (i) Municipal Bond Insurance Association does not insure the 1977 Certificates; (ii) United States Treasury Bonds to be purchased with bond amortization installments deposited in the Bond Amortization Fund, as provided in the Resolution, are unavailable; or (iii) the Purchaser, after diligent efforts, is unable to commit a financial institution to sell the United States Treasury Bonds required for the Bond Amortization Fund on the dates set forth in Schedule 1 (A) attached hereto and at purchase prices allowing a yield sufficient to make the refunding program feasible.

8. We reserve the right to increase or decrease the principal amount of 1977 Certificates purchased by an amount not to exceed five percent (5%) of the amount stated in paragraph 1 hereof, as may be necessary to carry out the purposes of the refunding program provided that the total amount of 1977 Certificates purchased will not increase the number of 1977 Certificates validated; and to correspondingly increase, or decrease, the principal amount of 1977 Certificates in any maturity by an amount not to exceed two and one half percent (2 1/2%) of the principal amounts stated in Schedule 2 hereto. The purchase price to be paid by us for the 1977 Certificates shall be adjusted in proportion to

the amount of any increase or decrease in the principal amount of 1977 Certificates delivered at the Closing.

9. At or prior to the Closing, we shall receive the following documents:

(a) A certified copy of the Resolution, as amended and supplemented to the date of Closing, authorizing the execution and delivery of the 1977 Certificates;

(b) Verification by a nationally recognized firm of certified public accountants, as to the accuracy of (i) the mathematical computation of the adequacy of the maturing principal amounts of the Federal Securities (as defined in the Resolution) plus the interest thereon (1) to pay, when due, the principal of and interest on the Refunding Certificates (as defined in the Resolution) and (2) the adequacy of the interest earned on the Federal Securities held under the Escrow Deposit Agreement (as defined in the Resolution) in amounts sufficient to pay, as the same mature and become due, the principal of and interest on the Certificates, and (ii) the mathematical computation supporting the conclusion that the 1977 Certificates are not "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954;

(c) The unqualified approving opinion of Freeman, Richardson, Watson, Slade, McCarthy & Kelly, P.A., Bond Counsel, as to the 1977 Certificates, dated the date of the Closing, in form and substance acceptable to us and our Co-Counsel;

(d) A certificate dated the date of the Closing by the County Attorney to the effect that no litigation is pending or, to his knowledge, threatened in any court to restrain or enjoin the issuance or delivery of any of the 1977 Certificates, or in any way contesting or affecting the validity of the 1977 Certificates, the Resolution, this Purchase Contract or any other document authorized by the County Commission relating to this refunding program, or contesting the powers of the County or any authority for the issuance of the 1977 Certificates or the Resolution and that other than as disclosed in the final Official Statement there is no litigation pending, or to the knowledge of said County Attorney, threatened against the County, or involving any of the property or assets under the control of the County which involve the possibility of any judgment or liability, not fully covered by insurance or adequate established reserves, which may result in any material adverse change in the properties, assets or in the condition, financial or otherwise, of the County other than routine litigation of the type which normally accompanies operations of the County, which Certificate shall be in form and substance acceptable to us (but in lieu of such Certificate by your County Attorney, acceptable to us in form and substance, that in

his opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of any plaintiffs therein are without merit);

(e) Executed copies of the final Official Statement of the County and executed copies of the Resolution, as amended and supplemented to the date of Closing, executed copies of this Purchase Contract and any other documents authorized by the County Commission relating to this refunding program;

(f) Such additional certificates, instruments, and other documents as we may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of your representations and warranties herein contained and the due performance or satisfaction by you at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by you. If you are unable to satisfy the conditions of the obligations to the Purchaser contained in this Purchase Contract, or if the obligations of the Purchaser shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Purchaser nor you shall be under further obligation hereunder.

10. To the extent it may legally do so, the County agrees to indemnify and hold harmless the Purchaser and each person, if any, who controls the Purchaser within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statement or misleading statement or alleged misleading statement of a material fact contained in the final Official Statement or caused by any omission or alleged omission from the final Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading except insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or omission or alleged untrue or misleading statement or omission relating to the information contained in the final Official Statement regarding the Purchaser.

In case any action shall be brought against one or more of the Indemnified Parties based upon the final Official Statement and in respect of which indemnity may be sought against the County, the Indemnified Parties shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of each Indemnified Party or Indemnified Parties, unless the employment for such counsel has been specifically authorized by the County. The County shall not be liable for any settlement of any such action affected

without its consent, but if settled with the consent of the County or if there be a final judgment for the plaintiff in any such action with or without consent, the County agrees to indemnify and hold harmless the Indemnified Party or Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

11. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

12. Any notice or other communication to be given to you under this Purchase Contract may be given by delivering the same in writing at your address set forth above any any notice or other communication to be given to the Purchaser under this Purchase Contract may be given by delivering the same in writing at the address set forth above.

13. This Purchase Contract is made solely for the benefit of you and the Purchaser (Including the successors or assigns of the Purchaser) and no other person shall acquire or have any right hereunder or by virtue hereof. All your representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Purchaser, (b) delivery of and payment for the 1977 Certificates hereunder, and (c) any termination of this Purchase Contract.

If the foregoing is in accordance with the Purchaser's understanding of the agreement between the County and the Purchaser, sign and return to the Purchaser whereupon it will constitute a binding agreement between the County and the Purchaser in accordance with its terms.

COUNTY OF SANTA ROSA, FLORIDA

Refunding Certificates of Indebtedness - Series 1977

Schedule1(A)

Date	Par Amount Purchased	Price
7/1/78	545,000	100
1/1/79	215,000	100

7/1/79	215,000		100
1/1/80	210,000		100
7/1/80	210,000		100
1/1/81	180,000		100
7/1/81	180,000		100
1/1/82	195,000		100
7/1/82	195,000		100
1/1/83	195,000		100
7/1/83	195,000		100
1/1/84	165,000		100
7/1/84	165,000		100
1/1/85	145,000		100
7/1/85	145,000	100	
1/1/86	130,000		100
7/1/86	130,000		100
1/1/87	120,000		100
7/1/87	120,000		100
1/1/88	100,000		100
7/1/88	100,000		100
1/1/89	95,000	100	
7/1/89	95,000	100	
Total	4,045,000		

COUNTY OF SANTA ROSA, FLORIDA

Refunding Certificates of Indebtedness - Series 1977

Schedule 2

Date	Principal	Interest	Total Debt Service
7/1/78	0	43,306.67	\$43,306.67
7/1/79	0	259,840.00	259,840.00
7/1/80	0	259,840.00	259,840.00
7/1/81	0	259,840.00	259,840.00
7/1/82	0	259,840.00	259,840.00
7/1/83	0	259,840.00	259,840.00
7/1/84	0	259,840.00	259,840.00
7/1/85	0	259,840.00	259,840.00
7/1/86	0	259,840.00	259,840.00
7/1/87	0	259,840.00	259,840.00
7/1/88	0	259,840.00	259,840.00
7/1/89	0	259,840.00	259,840.00
7/1/90	170,000	259,840.00	429,840.00
7/1/91	165,000	248,960.00	413,960.00
7/1/92	160,000	238,400.00	398,400.00
7/1/93	155,000	228,160.00	383,160.00
7/1/94	150,000	218,240.00	368,240.00
7/1/95	150,000	208,640.00	358,640.00
7/1/96	150,000	199,040.00	349,040.00
7/1/97	150,000	189,440.00	339,440.00
7/1/98	160,000	179,840.00	339,840.00

7/1/99	150,000	169,600.00	319,600.00
7/1/00	160,000	160,000.00	320,000.00
7/1/01	170,000	149,760.00	319,760.00
7/1/02	180,000	138,880.00	318,880.00
7/1/03	1,990,000	127,360.00	2,117,360.00
	\$4,060,000	\$5,617,706.67	\$9,677,706.67

"PURCHASE CONTRACT

1. The undersigned (herein called the "Purchaser") offers to enter into the following agreement with the County of Santa Rosa, Florida (herein referred to as the "County") which, upon your acceptance of this offer, will be binding upon you and upon the Purchaser. This offer is made subject to your acceptance by execution of this Purchase Contract and its delivery to us on or before May 30, 1978.

2. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Purchaser hereby agrees to purchase from you for offering, and you hereby agree to sell to the Purchaser for such purpose, all (but not less than all) of Santa Rosa County, Florida, Special Obligation Bonds, Series 1978A, (herein referred to as the "Bonds") dated December 1, 1977, and having the maturities and bearing interest due January 1, 1978, and semi-annually thereafter on each July 1 and January 1 at the rates and terms stated in Schedule 2S attached hereto at the purchase price of \$1,303,400. plus interest accrued on said 1978A Bonds from June 1, 1978, to the date of the Closing.

3. The 1978A Bonds shall be described in and shall be issued pursuant to the Resolution first adopted on March 30, 1978, by the County Commission, as supplemented and amended to the date of Closing, (such Resolution as supplemented and amended to the date of the Closing sometimes referred to hereinafter as the "Resolution").

4. At the time of or before the Closing as herein provided, you shall deliver to us a copy of the final Official Statement of the County relating to the 1977 Certificates, together with all the exhibits thereto, executed on behalf of the County by your Chairman and County Clerk. You will authorize a Preliminary Official Statement, the information therein contained to be used in connection with the offering and sale of the 1978A Bonds.

5. You will represent and warrant to the Purchaser that the Preliminary Official Statement, as amended by a final Official Statement, will and at all times subsequent thereto up to and including the date of the Closing be true and correct in all material respects, and will not include an untrue statement of a material fact or any other fact necessary to make the statements therein relating to the County and the 1978A Bonds, or omit to state a material fact or any other fact necessary to make the statements therein relating to the 1978A Bonds, in light of the circumstances under which they were made, not misleading.

6. On or before May 30, 1978, or at such other times or on such earlier or later business day as shall be mutually agreed upon by you and us, you will deliver to us the 1978A Bonds, in definitive form and duly executed, together with the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase price of the 1978A Bonds as set forth herein, the check or checks, payable in Federal Funds to the order of Santa Rosa County, Florida. Delivery and payment as afore8aid shall be made at a mutually agreed upon location in New York City. This payment and delivery is herein called the "Closing".

7. The obligations of the Purchaser hereunder are subject to the following conditions:

(a)At the time of the Closing, the Resolution shall be in full force and effect as may have been agreed to in writing by us, and you shall have duly adopted and there shall be in full force and effect such additional Resolutions as shall, in the opinion of Bond Counsel, Freeman, Richardson, Watson, Slade, McCarthy & Kelly, P.A., be necessary in connection with the transactions contemplated hereby;

(b)At the time of the Closing, a final judgment of the Circuit Court in and for Santa Rosa County shall have been entered, validating the 1978A Bonds, which shall be in full force and effect, and there shall be no appeal pending with respect to such decree and the time for such an appeal shall have expired;

(c)We may terminate this Agreement by notification to you if at any time subsequent to the date hereof and at or prior to the Closing in the event that (i) legislation shall be enacted by the Congress or adopted by either House or approved by a Committee thereof or a decision by a Court of the United States or the Tax Court of the United States shall be rendered, or a press release, filing regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other Governmental agency shall be made which would have a material adverse effect on the proposed plan of financing due to a change in the Federal arbitrage laws or with respect to Federal taxation upon revenues or other income of the general character expected to be derived by you or upon interest

received on bonds of the general character of the 1978A Bonds, or which would have the effect of changing, directly or indirectly, the Federal Income tax consequences of interest on securities of the general character of the 1978A Bonds in the hands of the holders thereof, which in our opinion, materially affects the market price of the 1978A Bonds or (ii) the United States shall become engaged in hostilities which have resulted in a declaration of war or a national emergency, or there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general Banking moratorium by the United States or New York State authorities.

(d) We may also terminate this Agreement by notification to you if subsequent to the date hereof and at or prior to the Closing, one of the following events occur: (i) United States Treasury Bonds to be purchased with bond amortization installments deposited in the Bond Amortization Fund, as provided in the Resolution, are unavailable; or (ii) the Purchaser, after diligent efforts, is unable to commit a financial institution to sell the United States Treasury Bonds required for the Bond Amortization Fund on the dates set forth in Schedule 1(A) attached hereto and at purchase prices allowing a yield sufficient to make the refunding program feasible.

8. We reserve the right to increase or decrease the principal amount of 1978A Certificates purchased by an amount not to exceed five percent (5%) of the amount stated in paragraph 1 hereof, as may be necessary to carry out the purpose of the refunding program provided that the total amount of 1978A Bonds purchased will not increase the number of 1978A Bonds validated; and to corresponding increase, or decrease, the principal amount of 1978A Bonds in any maturity by an amount not to exceed two and one half percent (2 1/2%) of the principal amounts stated in Schedule 1 hereto. The purchase price to be paid by us for the 1978A Bonds shall be adjusted in proportion to the amount of any increase or decrease in the principal amount of 1978A Bonds delivered at the Closing.

9. At or prior to the Closing, we shall receive the following documents:

(a) A certified copy of the Resolution, as amended and supplemented to the date of Closing, authorizing the execution and delivery of the 1978A Bonds;

(b) Verification by a nationally recognized firm of certified public accountants, as to the accuracy of (i) the mathematical computation of the adequacy of the interest earned on the Federal Securities (as defined in the Resolution) under the Escrow Deposit Agreement (as defined in the Resolution) in amounts sufficient to pay, as the same mature and become due, the principal of and interest on the

1978A Bonds, and (ii) the mathematical computation supporting the conclusion that the 1978A Bonds are not "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954.

(c) The unqualified approving opinion of Freeman, Richardson, Watson, Slade, McCarthy ~, Kelly, P.A. Bond Counsel, as to the 1978A Bonds, dated the date of the Closing, in form and substance acceptable to us and our Co-Counsel;

(d) A certificate dated the date of the Closing by the County Attorney to the effect that no litigation is pending or, to his knowledge, threatened in any court to restrain or enjoin the issuance or delivery of any of the 1978A Bonds, or in any way contesting or affecting the validity of the 1978A Bonds, the Resolution, this Purchase Contract or any other document authorized by the County Commission relating to this refunding program, or contesting the powers of the County or any authority for the issuance of the 1978A Bonds or the Resolution and that other than as disclosed in the final Official Statement there is no litigation pending, or to the knowledge of said County Attorney, threatened against the County, or involving any of the property or assets under the control of the County which involve the possibility of any judgment or liability, not fully covered by insurance or adequate established reserves, which may result in any material adverse change in the properties, assets or in the condition, financial or otherwise, of the County other than routine litigation of the type which normally accompanies operations of the County, which Certificate shall be in form and substance acceptable to us (but in lieu of such Certificate by your County Attorney, acceptable to us in form and substance, that in his opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of any plaintiffs therein are without merit);

(e) Executed copies of the final Official Statement of the County and executed copies of the Resolution, as amended and supplemented to the date of Closing, executed copies of this Purchase Contract and any other documents authorized by the County Commission relating to this refunding program;

(f) Such additional certificates, instruments, and other documents as we may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of your representations and warranties herein contained and the due performance or satisfaction by you at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by you.

If you are unable to satisfy the conditions of the obligations the Purchaser contained in this Purchase Contract, or if the obligations of the Purchaser shall be terminated for any reason permitted by this

Purchase Contract, this Purchase Contract shall terminate and neither the Purchaser nor you shall be under further obligation hereunder.

10. To the extent it may legally do so, the County agrees to indemnify and hold harmless the Purchaser and each person, if any, who controls the Purchaser within the meaning of Section 15 of the Securities Act of 1933, as amended (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statement or misleading statement or alleged misleading statement of a material fact contained in the final Official Statement or caused by any omission or alleged Omission from the final Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading except insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or omission or alleged untrue or misleading statement or Omission relating to the information contained in the final Official Statement regarding the Purchaser.

In case any action shall be brought against one or more of the Indemnified Parties based upon the final Official Statement and in respect of which indemnity may be sought against the County, the Indemnified Parties shall promptly assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of each Indemnified Party or Indemnified Parties, unless the employment for such counsel has been specifically authorized by the County. The County shall not be liable for any settlement of any such action affected without its consent, but if settled with the consent of the County or if there be a final judgment for the plaintiff in any such action with or without consent, the County agrees to indemnify and hold harmless the Indemnified Party or Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

11. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

12. Any notice or other communication to be given to you under this Purchase Contract may be given by delivering the same in writing at your address set forth above and any notice or other communication to be given to the Purchaser under this Purchase Contract may be given by delivering the same in writing at the address set forth above.

13. This Purchase Contract is made solely for the benefit of you and the Purchaser (including the successors or assigns of the Purchaser) and no other person shall acquire or have any right hereunder or by virtue hereof. All your representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Purchaser. (b) delivery of and payment for the 1978A Bonds hereunder, and (c) any termination of this Purchase Contract.

If the foregoing is in accordance with the Purchaser's understanding of the agreement between the County and the Purchaser, sign and return to the Purchaser whereupon it will constitute a binding agreement between the County and the Purchaser in accordance with its terms.

COUNTY OF SANTA ROSA, FLORIDA

Special Obligation Bonds, Series 1978A

Schedule 2S

Date	Principal	Coupon	Price
1/1/79	110,000	4.00%	98
7/1/79	100,000	4.10	98
1/1/80	105,000	4.25	98
7/1/80	105,000	4.35	98
1/1/81	95,000	4.40	98
7/1/81	95,000	4.50	98
1/1/82	80,000	4.60	98
7/1/82	80,000	4.60	98
1/1/83	70,000	4.65	98
7/1/83	70,000	4.65	98
1/1/84	55,000	4.70	98

7/1/84	55,000	4.70	98
1/1/85	45,000	4.80	98
7/1/85	45,000	4.80	98
1/1/86	30,000	4.90	98
7/1/86	30,000	4.90	98
1/1/87	25,000	5.00	98
7/1/87	25,000	5.00	98
1/1/88	20,000	5.10	98
7/1/88	15,000	5.10	98
1/1/89	15,000	5.20	98
7/1/89	15,000	5.20	98
1/1/90	10,000	5.30	98
7/1/90	10,000	5.30	98
1/1/91	5,000	5.40	98
7/1/91	5,000	5.40	98
1/1/92	5,000	5.50	98
7/1/92	5,000	5.50	98
1/1/93	0	5.60	98
7/1/93	5,000	5.60	98
Total	1,330,000		

"A RESOLUTION AUTHORIZING THE REFUNDING OF CERTAIN PRESENTLY OUTSTANDING CERTIFICATES OF THE COUNTY; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$4,500,000 REFUNDING CERTIFICATES OF INDEBTEDNESS, SERIES 1978 OF THE COUNTY TO BE APPLIED TO REFUND THE PRINCIPAL AND INTEREST IN RESPECT TO SAID PRESENTLY OUTSTANDING OBLIGATIONS; AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 7S-498, Laws of Florida, Special Acts of 1975, and other applicable provisions of law (herein referred to as the "Act").

SECTION 2. DEFINITIONS. The following terms shall have the following meanings herein, unless the text otherwise expressly requires. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

A. "County" or "Issuer" shall mean Santa Rosa County, Florida.

B. "Bonds", "Obligations" or "1978 Bonds" shall mean the Refunding Certificates of Indebtedness, Series 1978, herein authorized to be issued, together with any additional parity obligations hereafter issued under the terms, conditions and limitations contained herein.

C. "Serial Obligations" shall mean any obligations for the payment of the principal of which, at the maturity thereof, no fixed Amortization Installment or bond redemption deposits are required to be made prior to the twelve-month period immediately preceding the stated date of maturity thereof.

D. "Term obligations" shall mean the obligations of a series all of which shall be stated to mature on one date and which shall be subject to retirement by operation of the Sinking Fund Account herein established within the Bond Service Fund.

B. "Amortization Installment", with respect to any term obligations of a series, shall mean an amount or amounts so designated which is or are established for the term obligations of such series, provided that the aggregate of such Amortization Installments for each maturity of term obligations of such series shall equal the aggregate principal amount of each maturity of term obligations of such series delivered on original issuance.

F. "Bond service requirement" for any fiscal year, as applied to the obligations of any series, shall mean the sum of:

(1) the amount required to pay the interest becoming due on the obligations of such series during such fiscal year, except to the extent that such interest shall have been provided by payments into the Bond Service Fund out of bond proceeds for a specific period of time or by payments of investment income into the Bond Service Fund from the Sinking Fund Account or any accounts therein.

(2) the amount required to pay the principal of Serial obligations of such series maturing in such fiscal year.

(3) the Amortization Installments established for the maturities of term obligations of such series for such fiscal year.

(4) in the event the Issuer has purchased or entered into an agreement to purchase Federal Securities or Authorized Investments, as defined in this Resolution, from moneys in the Sinking Fund Account in the

Bond Service Fund, then the income received or to be received on such Federal securities or Authorized Investments from the date of acquisition thereof to the date of maturity thereof, shall be taken into consideration in calculating the payments which will be required to be made into the Bond Service Fund and the Sinking Fund Account therein.

G. "Maximum bond service requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate bond service requirements for the then current or any future fiscal year.

H. "Holder of obligations" or "obligation holders" or any similar term shall mean any person who shall be the bearer or owner of any outstanding obligations or obligations registered to bearer, or not registered, or the registered owner of any such obligation or obligations which shall at the time be registered other than to bearer.

I. "Race Track Funds" means proceeds derived by the County from race track funds and jai alai fronton funds pursuant to the provisions of Chapter 550 and 551, Florida Statutes.

J. "Pledged Funds" means the proceeds of the Race Track Funds, proceeds of the rental and the royalties derived by the County under leases or other agreements with respect to lands or the mineral rights appertaining thereto belonging to the County, the second oil and gas severance taxes accruing to the County pursuant to provisions of Sect 211.06(l)(b), Florida Statutes.

K. "Outstanding Race Track Obligations" shall mean the outstanding bonds of an issue of \$722,000 Improvement and Refunding Revenue Bonds of the County dated June 1, 1965, the outstanding certificates of an issue of \$941,000 Courthouse and Jail Refunding Certificates of the County dated July 1, 1965, the outstanding certificates of an issue of \$600,000 Certificates of Indebtedness of the County dated July 1, 1965, the outstanding bonds of an issue of \$1,100,000 Hospital Revenue Bonds, Series 1972 of the County dated May 1, 1972.

L. "Federal Securities" shall mean only direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States of America.

M. "Refunded Bonds" means the outstanding Certificates of Indebtedness, Series 1975, dated December 1, 1975, of the Issuer.

N. "Escrow Deposit Agreement" means that certain Escrow Deposit Agreement to be entered into by and between the Issue and a bank or trust company to be selected and named by the Issuer prior to the delivery of the 1978 Bonds, in substantially the form attached hereto as Exhibit A.

O. "1978A Bonds" shall mean the Special Obligation Bonds, Series 1978A authorized to be issued pursuant to separate resolution of the Issuer of even date herewith, and to be issued simultaneously with the 1978 Bonds.

P. "Authorized Investments" shall mean any of the following if and to the extent the same are at the time legal for investment of municipal funds; (a) direct obligations of or obligations guaranteed by the United States; (b) bonds, debentures or notes issued by any of the following federal agencies: Bank for

Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System Export-Import Bank of Washington; Federal Land Banks; or the Federal National Mortgage Association (including Participation Certificates); (c) Public Housing Bonds, Temporary Notes, or Preliminary Loan Notes fully secured by contracts with the United States; (d) full faith and credit obligations of any State, provided that at the time of purchase such obligations are rated in either of the two highest rating categories by two nationally recognized bond rating agencies; corporate debentures rates in the highest rating category by two nationally recognized bond rating agencies or (e) time deposits represented by certificates of deposit fully secured in the manner provided by the laws of the State of Florida.

Q. "Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the succeeding September 30, or such other period as is at time prescribed by law.

SECTION 3. FINOINGS. It is hereby ascertained, determined and declared that:

A. The Issuer deems it necessary and in its best interest to provide for the refunding of all the outstanding Refunded Bonds. The refunding program herein described will be advantageous to the Issuer, by effecting an overall savings in debt service to be paid from the Pledged Revenues, and permitting favorable revisions in restrictive covenants made to bondholders regarding the investment of funds.

B. The estimated maximum cost of such refunding as above described is a sum not exceeding \$6,000,000, the actual cost to be determined upon sale of the 1978 Bonds and the 1978A Bonds. Such cost shall be paid from the proceeds derived from the sale of the 1978 Bonds and the 1978A Bonds, to be issued simultaneously, together with certain other funds, if necessary, available to the Issuer. An amount sufficient to effect the refunding will be deposited in an irrevocable escrow account established for the holders of the Refunded Bonds, and invested in Federal Securities. The principal amounts of such Federal Securities will be sufficient to make timely payments of all presently outstanding principal, interest and redemption premiums in respect of the Refunded Bonds. The interest earnings from such Federal Securities will be sufficient to make timely payment of all principal and interest on the 1978A Bonds and all costs associated with the acquisition and subsequent management of such Federal Securities.

C. Pursuant to Chapter 75-498, Laws of Florida, the County is authorized to pledge its race track funds, rentals and royalties, and oil and gas severance taxes, collectively defined herein as "Pledged Funds", to pay the principal of and interest on the obligations to be issued to finance a part of the cost of the Refunding, as hereinafter set forth. Such pledge of the Race Track Funds, however, is junior and subordinate to the pledge of and lien thereon of the Outstanding Race Track Obligations.

D. The estimated Pledged Funds will be sufficient to pay all of the principal of and interest on the obligations to be issued hereunder, as the same become due, and to make all required sinking fund, reserve or other payments.

E. The principal of and interest on the obligations and all required sinking fund, reserve and other payments shall be payable solely from the Pledged Funds as herein provided. The Issuer shall never be

required to levy ad valorem taxes on any property therein to pay the principal of and interest on the obligations or to make any of the required sinking fund, reserve or other payments, and such obligations shall not constitute a lien upon any property of or in the Issuer.

SECTION 4. AUTHORIZATION OF REFUNDING OF REFUNDED BONDS. There is hereby authorized the refunding of the outstanding Refunded Bonds.

SECTION 5. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the 1978 Bonds by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal holders of any and all of such 1978 Bonds and the coupons attached thereto, all of which shall be of equal rank and without preference, priority or distinction of any of the 1978 Bonds or coupons over any other thereof, except as expressly provided therein and herein.

SECTION 6. AUTHORIZATION OF 1978 BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Refunding Certificates of Indebtedness, Series 1978" are authorized to be issued in the aggregate principal amount of not exceeding Four Million Five Hundred Thousand Dollars (\$4,500,000.)

SECTION 7. DESCRIPTION OF OBLIGATIONS. The 1978 Bonds shall be dated May 1, 1978, may be serial obligations, term obligations or a combination thereof; shall be numbered consecutively from one upward; shall be in the denomination of \$5,000 each or multiples thereof; shall bear interest at such rate or rates not exceeding the maximum legal rate allowable by law, such interest to be payable semi-annually, and shall mature either annually or semi-annually in numerical order, lowest numbers first, on such dates and in the years 1990 through 2007, inclusive, and in such amounts as shall be determined by subsequent resolution of the Issuer.

The 1978 Bonds shall be issued in coupon form; shall be payable with respect to both principal and interest at a bank or banks to be subsequently determined by the Issuer prior to the delivery of the 1978 Bonds; shall be payable in lawful money of the United States of America; and shall bear interest from such date, but not earlier than the date of the 1978 Bonds, as is fixed by Resolution of the Issuer at or prior to sale of the 1978 Bonds, payable in accordance with and upon surrender of the appurtenant interest coupons as they severally mature.

SECTION 8. EXECUTION OF OBLIGATIONS AND COUPONS. The 1978 Bonds shall be executed in the name of the Issuer by the Chairman of the Board of County Commissioners and shall be attested by the Clerk of the Board of County Commissioners, and the corporate seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon, The facsimile signatures of the Chairman and Clerk may be imprinted or reproduced on the 1978 Bonds, provided that at least one signature required to be placed thereon shall be manually subscribed. In case any officer whose signature shall appear on any of the 1978 Bonds shall cease to be such officer before the delivery of the 1978 Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in

office until such delivery. The 1978 Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of the 1978 Bonds shall hold the proper office with the Issuer, although at the date of adoption of this Resolution such person may not have held such office or may not have been so authorized.

The coupons attached to the 1978 Bonds shall be authenticated with the facsimile signatures of any present or future Chairman of the Board of County Commissioners, attested by the facsimile signature of any present or future Clerk of the Board of County Commissioners, and may be sealed on behalf of the Issuer by having imprinted thereon the word "(Seal)". The validation certificate on the 1978 Bonds shall be executed with the facsimile signature of the Chairman. The Issuer may adopt and use for such purposes the facsimile signatures of any persons who shall have held such offices at any time on or after the date of adoption of this Resolution notwithstanding that they may have ceased to be such officers at the time the 1978 Bonds are actually delivered.

SECTION 9. NEGOTIABILITY AND REGISTRATION. The 1978 Bonds and the coupons appertaining thereto issued hereunder shall be and shall have all the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida, and each successive holder, in accepting any of such 1978 Bonds or the coupons appertaining thereto, shall be conclusively deemed to have agreed that the 1978 Bonds shall be and have all of the qualities and incidents of negotiable instruments under the law merchant and the Laws of the State of Florida.

The 1978 Bonds may be registered at the option of the holder as to principal only, at the office' of the Clerk of the Board of County Commissioners, as Registrar, or such other Registrar as may be hereafter duly appointed, such registration to be noted on the back of the 1978 Bonds in the space provided therefor. After such registration as to principal only, no transfer of the 1978 Bonds shall be valid unless made at such office by written assignment of the registered owner, or by his duly authorized attorney in a form satisfactory to the Registrar, and similarly noted on the 1978 Bonds, but the 1978 Bonds may be discharged from registration being in like manner transferred to bearer and thereupon transferability by delivery shall be restored. At the option of the holder, the 1978 Bonds may thereafter again from time to time be registered or transferred to bearer as before. Such registration as to principal only shall not affect the negotiability of the coupons which shall continue to pass by delivery. The Issuer may make a reasonable charge for every such transfer sufficient to reimburse it for any expenses incurred by it; provided, however, that no charge shall be made by the Issuer for the first transfer of any 1978 Bond from bearer to the registered owner and for the first reconversion from the registered owner to bearer.

SECTION 10. OBLIGATIONS MUTILATED, DESTROYED, STOLEN OR LOST. In case any obligation shall become mutilated, or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new obligation with allunmatured coupons attached, if any, of like tenor as the obligation and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated obligation, upon surrender and cancellation of such mutilated obligation and attached coupons, if any, or in lieu of and substitution for the obligation and attached coupons, if any, destroyed, stolen or lost

and upon the holder furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All obligations and coupons so surrendered shall be cancelled. If any such obligation or coupon shall have matured or be about to mature, instead of issuing a substitute obligation or coupon, and if such obligation or coupon be lost, stolen or destroyed, without surrender thereof.

All such duplicate obligations and coupons issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed obligations or coupons be at any time found by anyone, and such duplicate obligations and coupons 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 same extent as all other obligations and coupons issued hereunder.

SECTION 11. REDEMPTION PROVISIONS AND NOTICE. The 1978 Bonds shall be redeemable prior to their respective dates of maturity, at the option of the Issuer, in whole or in part, on June 1, 1988, or on any interest payment date thereafter, at par plus accrued interest to the date of redemption, plus a premium of one-quarter of one per cent (1/4 or 1%) for each year or part thereof from the date of redemption to the date of maturity, said premium not to exceed 3% of the par value thereof. Additionally, the Term Obligations shall be callable on and after June 1, 2002, without premium, at par plus accrued interest.

Notice of such redemption (i) shall be published at least thirty (30) days prior to the redemption date in a financial journal published in the Borough of Manhattan, City and State of New York, (ii) shall be filed with the paying agents, and (iii) shall be mailed, postage prepaid, to all registered owners of 1978 Bonds to be redeemed at their addresses as they appear on the registration books hereinabove provided for. Interest shall cease to accrue on any 1978 Bond duly called for prior redemption on the redemption date, if payment thereof has been duly provided.

SECTION 12. FORM OF OBLIGATIONS AND COUPONS. The 1978 Bonds, the interest coupons to be attached thereto, and the certificate of validation shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and which are herein authorized or permitted or which are subsequently authorized or permitted prior to the issuance of the 1978 Bonds:

No. \$5,000.

UNITED STATES OF AMERICA

STATE OF FLORIDA

COUNTY OF SANTA ROSA

REFUNDING CERTIFICATE OF INDEBTEDNESS,

SERIES 1978

KNOW ALL MEN BY THESE PRESENTS, that Santa Rosa County, Florida (hereinafter called "County"), for value received, hereby promises to pay to the bearer or, if this certificate be registered to the registered holder, as herein provided, on the first day of 19, , from the special funds hereinafter mentioned the principal sum of FIVE THOUSAND DOLLARS and to pay solely from such special funds interest thereon from

at the rate of per centum (%) per annum until payment of the principal sum, such interest to the maturity hereof being payable on and semi-annually thereafter on the first day of and the first day of in each year upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this certificate are payable in lawful money of the United States of America at or, at the option of the holder, at

This certificate is one of an authorized issue of bonds in the aggregate principal amount of not exceeding \$4,500,000. of like date, tenor and effect, except as to number, interest rate and date of maturity, issued to finance part of the cost of refunding the County's outstanding Certificates of Indebtedness, Series 1975, dated December 1, 1975, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 75-498, Laws of Florida, Special Acts of 1975, and other applicable provisions of law, and a Resolution duly adopted by the Board of County Commissioners on the day of , 1978 (hereinafter called "Resolution") , and is subject to all the terms and conditions of such Resolution.

This certificate and the coupons appertaining hereto are payable solely from and secured by a lien upon and pledge of the race track funds accruing annually to the County under the provisions of Chapters 550 and 551, Florida Statutes, subject only to the prior lien thereon in favor of the holders of the County's outstanding Improvement and Refunding Revenue Bonds, dated June 1, 1965, outstanding Courthouse and Jail Refunding Certificates dated July 1, 1965, outstanding Certificates of Indebtedness dated July 1, 1965, outstanding Hospital Revenue Bonds, Series 1972 dated May 1, 1972, and outstanding Series 1974 Revenue Bonds dated June 1, 1974, and pledge of the rents and royalties derived by the County under

leases or other agreements with respect to lands or the mineral rights appertaining thereto belonging to the County, and the second oil and gas severance taxes accruing to Santa Rosa County pursuant to the provisions of Section 211.06(l)(b), Florida Statutes, (hereinafter referred to as "Pledged Funds") in the manner provided in the Resolution.

(Insert appropriate redemption provisions)

Notice of such redemption shall be given in the manner required by the Resolution.

This certificate does not constitute a general obligation of indebtedness of the County as "bonds" within the meaning of the Constitution of the State of Florida but shall be payable solely from and secured by a lien upon and pledge of the Pledged Funds as herein stated, and it is expressly agreed by the holder of this certificate and the coupons appertaining thereto that such holder shall never have the right to require or compel the exercise of the ad valorem taxing power of the County for the payment of the principal of and interest on this certificate or the making of any sinking fund, reserve, or other payments provided in the Resolution.

It is further agreed between the County and the holder of this certificate that this certificate and the obligation evidenced thereby shall not constitute a lien upon any property of or in the County, but shall constitute a lien only on the Pledge Funds in the manner provided in the Resolution.

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

This certificate and the coupons appertaining thereto are and have all the qualities and incidents of a negotiable instrument under the law merchant and the laws of the State of Florida.

This certificate may be registered as to principal only in accordance with the provisions endorsed hereon.

IN WITNESS WHEREOF, Santa Rosa County, Florida, has issued this certificate and has caused the same to be executed by the Chairman of the Board of County Commissioners, with his manual or facsimile signature, and attested and countersigned with the manual or facsimile signature of the Clerk of the Board of County Commissioners, and the corporate seal of the Board or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon and the interest coupons hereto attached to be executed with the facsimile signature of such officers, all as of the 1st day of December, 1977.

FORM OF COUPON

No. _____ \$ _____

Unless the certificate to which this coupon is attached is callable and has been duly called for prior redemption and provision duly made for the payment thereof, on the 1st day of holder, at _____, from the special funds described in the certificate to which this coupon is attached, the amount shown hereon in lawful money of the United State of America, upon presentation and surrender of this coupon, being interest then due on its Refunding Certificates of Indebtedness, Series 1978, dated December 1, 1977, No.

VALIDATION CERTIFICATE

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court for Santa Rosa County, Florida, rendered on the _____ day of _____, 1978.

PROVISION FOR REGISTRATON

This certificate may be registered as to principal only in the name of the holder on the books to be kept by the Clerk of the Board of County Commissioners, as Registrar, or such other registrar as may be hereafter duly appointed, such registration being noted hereon by such Registrar in the registration blank below, after which no transfer shall be valid unless made by written assignment on said books by the registered holder or attorney duly authorized and similarly noted in the registration blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be again registered as before. Such registration shall not restrain the negotiability of the coupons by delivery. The County may make a reasonable charge for every such transfer sufficient to reimburse it for any expenses incurred by it; provided, however, that no charge shall be made by the County for the first transfer of any certificate from bearer to the registered owner and for the first re-conversion from the registered owner to bearer.

Date of Registration _____ In whose name registered _____ Signature of registrar _____

SECTION 13. OBLIGATIONS NOT DEBT OF ISSUER. Neither the obligations nor coupons shall be or constitute general obligations of indebtedness of the Issuer as "bonds" within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and

pledge of the Pledged Funds as herein provided. No holder or holders of any obligations issued hereunder or of any coupons appertaining thereto shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any real property thereinto pay such obligations or the interest thereon or be entitled to payment of such principal and interest from any other funds of the Issuer except from the special funds in the manner provided herein.

SECTION 14. SECURITY FOR OBLIGATIONS. The principal of an interest on the obligations shall be secured forthwith equally and ratably be a lien upon and a pledge of the Pledged Funds, subject only to the prior lien on the Race Track Funds in favor of the holders of the County's Outstanding Race Track Obligations. The County hereby irrevocably pledges such funds to the payment of the principal of and interest on the obligations issued hereunder.

SECTION 15. COVENANTS OF THE ISSUER. For as long as any of the principal of an interest on any of the obligations shall be outstanding and unpaid or until there shall have been set apart in the Bond Service Fund, herein established, including the Sinking Fund and the Reserve Accounts therein, a sum sufficient to pay when due the entire principal of the obligations remaining unpaid, together with the interest accrued or to accrue thereon, the Issuer covenants with the holders of any and all obligations as follows:

A. PROVISION FOR PAYMENT OF OUTSTANDING RACE TRACK OBLIGATIONS. The Race Track Funds accruing annually to Santa Rosa County under Chapters 550 and 551, Florida Statutes, shall be deposited as received by the County into the Race Track Fund created pursuant to the provisions of that certain Resolution adopted by the County on April 8, 1958. The moneys in the Race Track Fund shall be applied in each year first for the payment of maturing principal of and interest on the Outstanding Race Track Obligations and to make all payments required by the proceedings authorizing the issuance thereof.

B. BOND SERVICE FUND. Promptly after issuance of any of the obligations, and subject to the provisions hereinabove set forth with respect to the Race Track Funds, the County will deposit all of the Pledged Funds immediately upon receipt into a special fund which is hereby created and designated "Santa Rosa County Refunding Certificates of Indebtedness, Series 1978, Revenue Fund" (hereinafter referred to as the "Revenue Fund".)

C. DISPOSITION OF PLEDGED REVENUE. All Pledged Revenue at any time remaining on deposit in the Revenue Fund hereinabove created and established shall be disposed of on or before the twentieth day of each month, commencing in the month immediately following the delivery of the obligations, only in the following manner and in the following order of priority:

(1) Revenues on deposit in the Revenue Fund shall first be used for deposit into a separate fund, which is hereby created and designated the "Bond Service Fund", such sums as will be sufficient to pay the following amounts on a parity basis (a) one-sixth (1/6) of all interest becoming due on the obligations on the next semi-annual interest payment date; (b) commencing in the first month which is twelve (12) months or six (6) months prior to the first annual or semi-annual maturity date, respectively, of any serial obligations, one twelfth (1/12) or one-sixth (1/6), respectively, of the amount of serial obligations which will become due and payable on such next annual or semi-annual principal maturity date, respectively, and (c) one twelfth (1/12) of the Amortization Installment, if any, required to be made on

the next annual payment date or one-sixth (1/6) of the Amortization Installment, if any, required to be made on the next semi-annual payments date. Such payments, constituting all or a portion of Amortization Installments, shall be credited to a "Sinking Fund Account", which is hereby created and established in said Bond Service Fund. A separate special subaccount within the Sinking Fund Account shall be established for each series of term obligations outstanding, and if there shall be more than one stated maturity for term obligations of a series, then a separate special subaccount in the Sinking Fund Account shall be established for each such separate maturity of term obligations. The funds and investments credited to each such separate subaccount shall be pledged solely to the payment of principal of the term obligations of the series or maturity within a series for which it is established and shall not be available for payment, purchase or redemption of term obligations of any other series or within a series, or for transfer to the Bond Service Fund to make up any deficiencies in required payments therein, The mandatory Amortization Installments may be due either annually or semi-annually, but in any event, the required payments as set forth above shall be made monthly commencing in the first month which is six (6) months or twelve (12) months, as the case may be, prior to the date on which Amortization Fund installment is required to be made pursuant~ to (c) above.

Upon the sale of any series of term obligations, the Issuer shall, by Resolution, establish the amounts and maturities of such Amortization Installments for each series, and if there shall be more than one maturity of term obligations within a series, the Amortization Installments for the term obligations of each maturity. In the event the moneys deposited for retirement of a maturity of term obligations are required to be invested, in the manner provided below, then the Amortization Installments may be stated in terms of either the principal amount of the investments to be purchased on, or the cumulative amounts of the principal amount of investments required to have been purchased by, the payment date of such Amortization Installment.

Moneys on deposit in each of the separate special subaccounts in the Sinking Fund Account may be used for the open market purchase or the redemption of term obligations of the series or maturity of term obligations within a series for which such separate special subaccount is established or may remain in said separate special subaccount and be invested until the stated date of maturity of the term obligations. The Resolution establishing the Amortization Installments for any series of maturity of term obligations may limit the use of moneys to any one or more of the uses set forth in the preceding sentence and may specify the type or types of investments permitted below to be purchased.

(2) Moneys remaining in the Revenue Fund shall next be applied by the Issuer to maintain a Reserve Account, which Reserve Account is hereby created and established, in a sum equal to and sufficient to pay the maximum bond service requirement on all outstanding obligations becoming due in any ensuing fiscal year, all or a portion of which such sum may be initially provided from the proceeds of the sale of the obligations and/or other moneys of the Issuer including the amount on deposit in the reserve

account established for the Refunded Bonds. The Issuer shall thereafter deposit into said Reserve Account an amount equal to one-twelfth (1/12) of twenty per cent (20%) of the difference between the amount, if any, so deposited upon the delivery of the obligations and the amount of the maximum bond service requirement on all outstanding obligations becoming due in any ensuing fiscal year. No further payments shall be required to be made into such Reserve Account when there has been deposited therein and as long as there shall remain on deposit therein a sum equal to the maximum bond service requirement on all outstanding obligations becoming due in any ensuing fiscal year.

Any withdrawals from the Reserve Account shall be subsequently restored from the first moneys available in the Revenue Fund after all required current payments into the Bond Service Fund and the Sinking Fund Account therein and into the Reserve Account, including all deficiencies for prior payments, have been made in full.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal (including Amortization Installments) of or interest on the obligations when the moneys in the Bond Service Fund are insufficient therefor, and for no other purpose.

Whenever the amount on deposit in the Reserve Account exceeds the maximum bond service requirement on all obligations then outstanding, the excess may be withdrawn and deposited into the Bond Service Fund or the Sinking Fund Account therein and may be used by the County for the redemption of obligations of not less than \$10,000 at any one time, in the manner herein provided, or for the purchase of obligations in the open market at prices not exceeding the then applicable call price, or for any other lawful purpose.

The Issuer shall not be required to make any further payments into the Bond Service Fund, including the Sinking Fund Account therein, or into the Reserve Account when the aggregate amount of moneys in such Bond Service Fund and the Sinking Fund Account therein, and the Reserve Account are at least equal to the aggregate principal amount of obligations then outstanding, plus the amount of interest then due or thereafter to become due on such obligations then outstanding.

(3) The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may either be deposited into the Bond Service Fund including the Sinking Fund Account therein, or may be used for the purpose or redemption of obligations, or may be used by the Issuer for any lawful purpose.

(4) The Bond Service Fund, the Sinking Fund Account therein, the Reserve Account, the Revenue Fund, and any other special funds or accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds. All such funds shall be continuously secured in the same manner as state and municipal deposits are required to be secured by the Laws of the State of Florida. Moneys on deposit in any of such funds and accounts may be invested and reinvested in Authorized Investments.

Investments made with moneys in the Revenue Fund and the Bond Service Fund (except the Sinking Fund and accounts therein) must mature not later than the date that such moneys will be needed but in no event later than 15 years from the time of purchase. Investments made with moneys in the accounts in the Sinking Fund Account in the Bond Service Fund and the Reserve Account must mature, in the case of the accounts in the Sinking Fund not later than the stated date of maturity of the term obligations to be retired from the accounts in the Sinking Fund from which the investment is made, and in the case of the Reserve Account not later than the final maturity of any obligations then outstanding. Any and all income received by the Issuer from all such investments shall be deposited into the Revenue Fund, except however, that investment income earned in the Sinking Fund Account may be retained therein or deposited into the Bond Service Fund and used to pay maturing principal of and interest on the obligations, at the option of the Issuer.

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

The designation and establishment of the various funds in and by this ordinance 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 system for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

D. REMEDIES. Any holder of obligations or any coupons appertaining thereto, issued under the provisions hereof, or any trustee acting for the holders of such obligations may, either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the

laws of the State of Florida or granted and contained herein, and may enforce and compel the performance of all duties herein required or by any applicable statutes to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any holder of such obligations any lien on any real property of the Issuer.

SECTION 16. APPLICATION OF PROCEEDS OF OBLIGATIONS. All moneys received from the sale of the 1978 Bonds shall be deposited by the Issuer in a special account in a bank or trust company and applied by the Issuer as follows:

A. All accrued interest shall be deposited in the Bond Service Fund and used solely for the purpose of paying interest on the 1978 Bonds.

B. A sum which together with, at the discretion of the Issuer, moneys on deposit in the Reserve Account for the Refunded Bonds, will be equal to the maximum bond service requirement on the 1978 Bonds becoming due in any fiscal year may be deposited into the Reserve Account, at the option of the Issuer.

C. To the extent not reimbursed or paid by the original purchaser of the 1978 Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the 1978 Bonds.

D. A sum specified in the Escrow Deposit Agreement which (1) together with the net proceeds of the sale of the 1978A Bonds and the other funds described in the Escrow Deposit Agreement to be deposited in escrow, will be sufficient to pay, as of any date of calculation, the principal of, premium, if any, and interest on the Refunded Bonds as the same shall become due or are redeemed, as provided by subsequent Resolution of the Issuer, and such sum (2) together with the net proceeds of the sale of the 1978A Bonds and the other funds described in the Escrow Deposit Agreement to be deposited in escrow, and together with the Escrow Deposit Income, will be sufficient to make the payments described above and to pay the principal of and interest on the 1978A Bonds as the same shall become due, and to pay the expenses specified in the Escrow Deposit Agreement, shall be deposited into the Principal Account and the Income Account established in the Escrow Deposit Agreement, in the respective amounts sufficient for such purposes.

Such funds shall be kept separate and apart from all other funds of the Issuer and the moneys on deposit therein shall be withdrawn, used and applied by the Issuer solely for the purpose set forth herein and in the Escrow Deposit Agreement.

Simultaneously with the delivery of the 1978 Bonds to the purchaser thereof, the Issuer shall enter into an Escrow Deposit Agreement, in substantially the form attached hereto, with a bank or trust company approved by the Issuer. Such Escrow Deposit Agreement shall provide for the deposit of sums into the Principal and Income Accounts and for the investment of such moneys in appropriate Federal Securities so as to produce sufficient funds to make all of the payments described in paragraphs (i) and (2) of Section 16D of this ordinance. At the time of execution of the Escrow Deposit Agreement, the Issuer shall furnish to the Escrow Holder named therein appropriate documentation to demonstrate that the sums being deposited and the investments to be made will be sufficient for such purposes.

E. The remainder of the proceeds, if any, shall be deposited in the Bond Service Fund herein created and used to pay debt service on the 1978 Bonds.

SECTION 17. ARBITRAGE. No use will be made of the proceeds of the 1978 Bonds which, if such use were reasonably expected on the date of issuance of the 1978 Bonds, would cause the same to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1954. The Issuer at all times while the 1978 Bonds and the interest thereon are outstanding will comply with the requirements of Section 103(c) of the Internal Revenue Code of 1954 and any valid and applicable rules and regulations promulgated thereunder.

SECTION 18. SALE OF OBLIGATIONS. The 1978 Bonds shall be issued and sold in such manner and at such price or prices consistent with the provisions of the Act and the requirements of this Resolution, provided that the 1978 Bonds shall be sold and delivered only if the 1978A Bonds are sold and delivered at the same time in an aggregate amount sufficient to effect the complete refunding program described in Section 3 of this Resolution.

SECTION 19. MODIFICATION OR AMENDMENT. No material modification or amendment of this Resolution or of any Resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the holders of two-thirds or more in the principal amount of the obligations then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such obligations or reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the Issuer to pay the principal of and interest on the

obligations as the same shall become due from the revenues of the system or reduce the percentage of the holders of the obligations required to consent to any material modification or amendment hereof without the consent of the holder or holders of all such obligations; provided further, however, that no such modification or amendment shall allow or permit any acceleration of the payment of principal or interest on the obligations upon any default in the payment thereof whether or not the holders of the obligations consent thereto.

SECTION 20. DEFEASANCE. If, at any time, the Issuer shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to the obligations, then, and in that event, the pledge of and lien on the Pledged Revenues on favor of the holders of the obligations shall be no longer in effect. For purposes of the preceding sentence, deposit of Federal Securities or bank certificates of deposit fully secured as to principal and interest by Federal Securities (or deposit of any other securities or investments which may be authorized by law from time to time and sufficient under such law to effect such a defeasance) in irrevocable trust with a banking institution or trust company, for the sole benefit of the bondholders, in an amount sufficient to pay the principal, interest, and redemption premiums, if any, on the outstanding obligations, shall be considered "provision for payment". Nothing herein shall be deemed to require the Issuer to call any of the outstanding obligations for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

SECTION 21. PUBLICATION OF NOTICE OF REFUNDING. Within thirty (30) days after the delivery of the obligations and the 1978A Bonds, the Issuer shall cause to be published one time in a newspaper published and of general circulation in the City, and a financial journal published in the Borough of Manhattan, City and State of New York, a notice of the advance refunding of the Refunded Bonds.

SECTION 22. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the obligations or coupons issued hereunder.

SECTION 23. VALIDATION AUTHORIZED. The County Attorney is authorized and directed to prepare and file proceedings in the Circuit Court of the First Judicial Circuit of Florida in and for Santa Rosa County,

Florida for the validation of the 1978 Bonds, and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer any pleadings in such proceedings.

SECTION 24. REPEALING CLAUSE. All Resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 25. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage.

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 1978, by and between
SANTA ROSA COUNTY, FLORIDA (the "Issuer"), and _____ a banking corporation organized under the laws
of the _____,
as Escrow Holder (the "Escrow Holder").

WITNESSETH:

WHEREAS, the Issuer has previously authorized and issued obligations of the issues set forth on Schedule A, hereinafter defined as the "Refunded Bonds," as to which the current Total Debt Service (as hereinafter defined) is set forth on Schedule A; and

WHEREAS, the Issuer has determined to provide for payment of the current Total Debt Service of the Refunded Bonds by depositing with the Escrow Holder cash at least equal to such sum; and

WHEREAS, in order to obtain the funds needed for such purpose, the Issuer has authorized and is, concurrently with the delivery of this Agreement, issuing certain Revenue Bonds and Special Bonds more fully described herein; and

WHEREAS, the Issuer as determined that the Escrow Deposit Income, as defined herein, to be earned pursuant to this Agreement will be sufficient to pay the Total Debt Service of the Special Bonds;

Now Therefore, in consideration of the mutual covenants and agreements herein contained, the Issuer and the Escrow Holder agree as follows:

Section 1. Definitions. As used herein, the following terms mean:

- (a) "Agreement" means this Escrow Deposit Agreement.
- (b) "Issuer" means Santa Rosa County, Florida.
- (c) "Escrow Holder" means
- (d) "Refunded Bonds" means the County's outstanding Certificates of Indebtedness, Series 1975, dated December 1, 1975.
- (e) "Special Bonds" means the Special Obligation Bonds, Series of 1978A of the Issuer, authorized by the Special Resolution.
- (f) "1978 Bonds" means the Refunding Certificates of Indebtedness, Series 1978, of the Issuer authorized by the 1978 Resolution.
- (g) "Special Resolution" means the Resolution adopted by the governing body of the Issuer on _____ 1978, as amended and supplemented from time to time, authorizing issuance of the Special Bonds.
- (h) "1978 Resolution" means the Resolution adopted by the governing body of the Issuer on _____ 1978, as amended and supplemented from time to time, authorizing issuance of the 1978 Bonds.
- (i) "Principal Account" means the account established and held by the Escrow Holder pursuant to this Agreement, in which cash and investments will be held for payment of the Refunded Bonds.
- (j) "Income Account" means the account established and held by the Escrow Holder pursuant to this Agreement, in which Escrow Deposit Income, as herein defined, will be held for payment of the Special Bonds and the Expenses.
- (k) "Escrow Deposit Income" means all interest and other income derived from the investment of funds under and pursuant to this Agreement and, after provision for payment of the Total Debt Service on the Refunded Bonds, any excess cash and principal of Federal Securities held in the Principal Account.
- (l) "Expenses" means the expenses set forth on Schedule D attached hereto and hereby made a part hereof.
- (m) "Annual Debt Service" means in any year: (1) as to the Refunded Bonds, the principal of and interest on the Refunded Bonds coming due in such year, and the principal of and redemption premiums with respect to the Refunded Bonds, if any, called for redemption in such year as shown on Schedule A attached hereto and hereby made a part hereof, and (2) as to the Special Bonds, the principal of and interest on the Special Bonds coming due in any year, as shown on Schedule B.
- (n) "Total Debt Service" means, as of any date, the sum of the Annual Debt Service then remaining unpaid with respect to the Refunded Bonds or the Special Bonds, as appropriate.
- (o) "Escrow Requirement" means, as of any date of calculation, the sum of (1) an amount in cash and principal amount of Federal Securities in the Principal Account sufficient to pay the Total Debt Service on

the Refunded Bonds, and an amount in cash in the Income Account which, together with all interest due on the Federal Securities, will be sufficient to pay the Total Debt Service on the Special Bonds and to pay when due all Expenses then unpaid.

(p) "Federal Securities" means direct obligations of the United States of America and obligations the principal of and interest on which are fully guaranteed by the United States of America, none of which permit redemption prior to maturity at the option of the obliger.

(q) "Call Date" means _____, 19 , the date on which all or a portion of the then outstanding Refunded Bonds will be called for redemption prior to maturity.

(r) "Redemption Resolution" means a Resolution adopted by the governing body of the Issuer which provides for redemption of all or a part of the Refunded Bonds on its respective Call Date, irrevocably instructs the Escrow Holder to give notice of such redemption, and directs the paying agent of the Refunded Bonds to pay the Refunded Bonds and the interest therein upon surrender thereof at maturity or its Call Date, whichever is earlier, including, in the case of payment on the Call Date, the surrender of all un-matured coupons appertaining thereto.

Section 2. Deposit of Funds. The Issuer hereby deposits \$ _____ with the Escrow Holder in immediately available funds, to be held in irrevocable escrow by the Escrow Holder separate and apart from other funds of the Issuer and the Escrow Holder and to be applied solely as provided in this Agreement. The Issuer represents that:

(a) Such funds are derived as follows:

(1) \$ from the net proceeds of the Special Bonds:

(2) \$ from the net proceeds of the 1978 Bonds; and

(3) \$ from other legally available funds of the Issuer on hand in the

(b) Such funds are at least equal to the Escrow Requirement as of the date of such deposit.

Section 3. Use and Investment of Funds. The Escrow Holder acknowledges receipt of the sum described in Section 2, and agrees:

(a) to hold the funds in irrevocable escrow during the term of this Agreement,

(b) to immediately invest \$ _____ of such funds by the purchase of the Federal Securities set forth on Schedule C attached hereto,

(c) to deposit the sum of \$ _____ in cash in the Income Account and the balance of \$ _____ in the Principal Account.

(d) to deposit, as received, in the Principal Account, all receipts of maturing principal of the Federal Securities invested in the Principal Account, and all receipts of interest and other income in the Income Account.

(e) to transfer to the Income Account, on each interest payment date for the Special Bonds, any cash and principal of Federal Securities then held in the Principal Account which is then in excess of the amount which will be required to provide for payment of the Total Debt Service on the Refunded Bonds.

Section 4. Payment of Bonds and Expenses.

(a) Refunded Bonds. On each interest payment date for the Refunded Bonds, the Escrow Holder shall pay to the paying agents for each issue of the Refunded Bonds, from the cash on hand in the Principal Account, a sum sufficient to pay that portion of the Annual Debt Service for the Refunded Bonds coming due on such date, as shown on Schedule A.

(b) Special Bonds. On each interest payment date for the Special Bonds, the Escrow Holder shall pay to the paying agent for the Special Bonds, from cash on hand in the Income Account, a sum sufficient to pay that portion of the Annual Debt Service for the Special Bonds coming due on such date, as shown on Schedule B.

(c) Expenses. On each of the due dates as shown on Schedule D, the Escrow Holder shall pay the portion of the Expenses coming due on such date to the appropriate payee or payees designated on Schedule O and designated by separate certificate of the Issuer.

(d) Surplus. Upon termination of this Agreement, the Escrow Holder shall pay to the Issuer any remaining cash in the Income Account in excess of the Escrow Requirement. The Issuer will apply such payments in the manner provided in the Special Ordinance, but the Escrow Holder shall have no responsibility or duty to ensure that the Issuer does so.

(e) Priority of Payments. The holders of the Refunded Bonds shall have an express first lien on the funds and Federal Securities in the Principal Account until such funds and Federal Securities are used and applied as provided in this Agreement. The holders of the Special Bonds shall have an express first lien on the funds and on the Federal Securities, if any, in the Income Account, and on the income to be

received from all of the Federal Securities, until such funds and Federal Securities, if any, and income are received, used and applied as provided in this Agreement. If the cash on hand in the Income Account is ever insufficient to make the payments required under Subsections 4(b) and Cc), all of the payments required under Subsection 4(b) shall be made when due before any payments shall be made under Subsection 4(c). The holders of the Refunded Bonds shall never have any right to require or compel the Escrow Holder to apply any of the Escrow Deposit Income to pay any portions of the Annual Debt Service of the Refunded Bonds.

Section 5. Redemption of Refunded Bonds. The Escrow Holder acknowledges receipt of the Redemption Resolution. The Escrow Holder agrees to perform the duties set forth in the Redemption Resolution.

Section 6. Reinvestment

(a) Except as provided in Section 3 and in this Section, the Escrow Holder shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Federal Securities held hereunder.

(b) At the request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Holder shall sell, transfer, otherwise dispose of or request the redemption of any of the Federal Securities acquired hereunder and shall either purchase Refunded Bonds or Special Bonds or substitute other Federal Securities for such Federal Securities. The Issuer will not request the Escrow Holder to exercise any of the powers described in the preceding sentence in any manner which, if such exercise had been reasonably expected on the date of issuance of the 1978 Bonds and the Special Bonds, would have caused any issue to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the Regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of such bonds. The transactions may be effected only if (i) an independent certified public accountant shall certify that the cash and principal amount of Federal Securities remaining on hand after the transactions are completed will be not less than the Escrow Requirement, and (ii) the Escrow Holder shall receive an unqualified opinion from a nationally recognized bond counsel to the effect that the transactions, if they had been reasonably expected on the issue date of such bonds, would not have caused such Bonds to be "arbitrage bonds" within the meaning of Section 103 (c) of the Internal Revenue Code of 1954, as amended, and the regulations thereunder in effect on the date of the transactions and applicable to obligations issued on such date.

Section 7. No Redemption or Acceleration of Maturity. The Issuer will not accelerate the maturity of, or exercise any option to redeem before maturity, any Refunded Bonds, except for the redemption provided for in the Redemption Resolution, and will not accelerate the maturity of any Special Bonds.

Section 8. Indemnity. The Issuer hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Holder and its respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against at any time, the Escrow Holder (whether or not also indemnified against the same by the Issuer or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Agreement, the establishment of the Principal Account or the Income Account, established hereunder, the acceptance of the funds and securities deposited therein, the purchase of the Federal Securities, the retention of the Federal Securities or the proceeds thereof and any payment, transfer or other application of funds or securities by the Escrow Holder in accordance with the provisions of this Agreement; provided, however, that the Issuer shall not be required to indemnify the Escrow Holder against its own negligence or willful misconduct. In no event shall the Issuer or Escrow Holder be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this Section. The indemnities contained in this section shall survive the termination of this Agreement.

Section 9. Responsibilities of Escrow Holder. The Escrow Holder and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Principal Account or the Income Account, the acceptance of the funds deposited therein, the purchase of the Federal Securities, the retention of the Federal Securities or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Holder in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow holder made in good faith in the conduct of its duties. The Escrow Holder shall, however, be liable to the Issuer for its negligent or willful acts, negligent or willful omissions or negligent or willful errors which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Holder shall be determined by the express provisions of this Agreement. The Escrow Holder may consult with counsel, who may or may not be counsel to the Issuer, and in reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Holder shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

Section 10. Resignation of Escrow Holder. The Escrow Holder may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer and published once in a newspaper of general circulation published in the territorial limits of the Issuer, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, not less than sixty (60) days before such resignation shall take effect. Such resignation shall take effect immediately upon the appointment of a new Escrow Holder hereunder, if such new Escrow Holder shall be appointed before the time limited by such notice and shall then accept the duties and obligations thereof.

Section 11. Removal of Escrow Holder.

(a) The Escrow Holder may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than fifty-one per centum (51%) in aggregate principal amount of the Refunded Bonds then outstanding, and by the holders of not less than fifty-one per centum (51%) in aggregate principal amount of the Special Bonds then outstanding, such instruments to be filed with the Issuer, and notice in writing given by such holders to the original purchaser or purchasers of the Special Bonds and published once in a newspaper of general circulation published in the territorial limits of the Issuer, and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, not less than sixty (60) days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument filed with the Issuer under the provisions of this paragraph shall be delivered by the Issuer to the Escrow Holder.

(b) The Escrow Holder may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Holder by any court of competent jurisdiction upon the application of the Issuer or the holders of not less than five per centum (5%) in aggregate principal amount of the Special Bonds then outstanding, or the holders of not less than five per centum (5%) in aggregate principal amount of the Refunded Bonds then outstanding.

Section 12. Successor Escrow Holder.

(a) If at any time hereafter the Escrow Holder shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Holder shall thereupon become vacant. If the position of Escrow Holder

shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall, but only with the written approval of the original purchaser of the Special Bonds, or the corporate successor or successors of the original purchaser, which approval shall not be unreasonably withheld, appoint an Escrow Holder to fill such vacancy. The Issuer shall jointly publish notice of any such appointment made by them once in each week for four (4) successive weeks in a newspaper of general circulation published in the territorial limits of the Issuer and in a daily newspaper of general circulation or a financial journal published in the Borough of Manhattan, City and State of New York, and, before the second publication of such notice shall mail a copy thereof to the original purchaser or purchasers of the Special Bonds.

(b) At any time within one year after such vacancy shall have occurred, the holders of a majority in principal amount of Special Bonds then outstanding or the holders of a majority in principal amount of the Refunded Bonds then outstanding, by an instrument or concurrent instruments in writing, executed by either group of such bondholders and filed with the governing body of the Issuer, may appoint a successor Escrow Holder, which shall supersede any Escrow Holder theretofore appointed by the Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer, to the predecessor Escrow Holder and to the Escrow Holder so appointed by the bondholders. In the case of conflicting appointments made by the two groups of bondholders under this paragraph, the first effective appointment made during the one year period shall govern.

(c) If no appointment of a successor Escrow Holder shall be made pursuant to the foregoing provisions of this section, the holder of any Special Bond or Refunded Bond then outstanding, or any retiring Escrow Holder may apply to any court of competent jurisdiction to appoint a successor Escrow Holder. Such court may deem proper and prescribe, appoint a successor Escrow Holder.

Section 13. Term. This Agreement shall commence upon its execution and delivery and shall terminate when the Refunded Bonds and the Special Bonds and coupons applicable thereto have been paid and discharged in accordance with the proceedings authorizing the Refunded Bonds and the Special Ordinance.

Section 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Holder to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 15. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Section 16. Governing Law. This Agreement shall be construed under the laws of the State of Florida.

Section 17. Security for Accounts and Funds. All accounts and funds maintained or held pursuant to this Agreement shall be continuously secured in the same manner as other deposits of municipal funds are required to be secured by the laws of Florida.

CERTIFICATE OF RECORDING OFFICER

The undersigned HEREBY CERTIFIES that:

1. He is the duly appointed, qualified, and acting Ex Officio Clerk of the Board of County Commissioners (herein called the Clerk), and keeper of the records thereof, including the minutes of its proceedings;
2. The annexed copy of extracts from the minutes of the Regular Meeting of the Board held on the 30th day of March, 1978, is a true, correct, and compared copy of the whole of the original minutes of said meeting on file and of record insofar as the same relate to the Resolution referred to in said extracts and to the other matters referred to therein:
3. Said meeting was duly convened in conformity with all applicable requirements: a proper quorum was present throughout said meeting and the Resolution hereinafter mentioned was duly proposed, considered, and adopted in conformity with applicable requirements: and all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out, and otherwise observed:
4. He is duly authorized to execute this Certificate:

and

5. The copy of the Resolution annexed hereto entitled:

A Resolution authorizing the refunding of certain presently outstanding certificates of the County:

Providing for the issuance of not exceeding \$4,500,000. refunding certificates of indebtedness, Series 1978 of the County to be applied to refund the principal and interest in respect to said presently outstanding obligations: And making certain covenants and agreements in connection therewith:

Providing an effective date is a true, correct, and compared copy of the original Resolution referred to in said extracts and as finally adopted at said meeting and, to the extent required by law, as thereafter duly signed or approved by the proper officer or officers of the Board of County Commissioners, which Resolution is on file and of record.

WITNESS my hand and the seal of the Clerk of Circuit Court, this 3rd day of April, 1978.

/s/ Gerald F. Barnes

Gerald F. Barnes, Clerk of Courts and Ex Officio Clerk to the Board of County Commissioners of Santa Rosa County, Florida.

'RESOLUTION AUTHORIZING THE REFUNDING OF CERTAIN PRESENTLY OUTSTANDING REVENUE OBLIGATIONS OF SANTA ROSA COUNTY, FLORIDA; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$1,500,000 SPECIAL OBLIGATION BONDS, SERIES 1978A, OF THE COUNTY TO BE APPLIED TO REFUND THE PRINCIPAL, INTEREST AND REDEMPTION PREMIUMS IN RESPECT TO SUCH PRESENTLY OUTSTANDING OBLIGATIONS, PROVIDING FOR THE PAYMENT OF THE REFUNDING BONDS FROM ESCROW DEPOSIT INCOME; AND MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH.

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

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 125, Florida Statutes, an emergency ordinance adopted on this date entitled: An emergency ordinance authorizing the issuance of refunding bonds of Santa Rosa County, Florida, payable solely from moneys on hand and income from investment thereof in irrevocable escrow for the purposes of refunding outstanding bonds of the County under otherwise applicable law; making certain findings in connection therewith; providing an effective date, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

A. "Issuer" shall mean Santa Rosa County, Florida.

B. "Act" shall mean Chapter 75-498, Laws of Florida, Special Acts of 1975, and other applicable provisions of law.

C. "Special Bonds" shall mean the \$1,500,000 Special Obligation Bonds, Series 1978A herein authorized to be issued under the terms, conditions and limitations contained herein.

D. "Holder of Special Bonds" or "Bondholders" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Special Bonds or Bonds registered to bearer or not registered, or the registered owner of any such Special Bond or Bonds which shall at the time be registered other than to bearer.

E. "Refunded Bonds" shall mean the Issuer's outstanding Certificates of Indebtedness, Series 1975.

F. "Revenue Bonds" shall mean the Refunding Certificates of Indebtedness, Series 1978 authorized to be issued pursuant to separate resolution of the Issuer of even date herewith (the "1978 Resolution"), and to be issued simultaneously with the Special Bonds.

G. "Escrow Deposit Agreement" means that certain Escrow Deposit Agreement by and between the Issuer and a bank or trust company (the "Escrow Holder") to be selected and named by the Issuer prior to the delivery of the Revenue Bonds, which agreement shall be in substantially the form attached as Exhibit A to the 1978 Resolution and incorporated herein by reference.

H. "Escrow Deposit Income" shall mean all interest and other income derived from the investment of funds under and pursuant to the Escrow Deposit Agreement, and, after provision for payment of the Total Debt Service (as defined in the Escrow Deposit Agreement) on the Refunded Bonds, any excess cash and principal held in the Principal Account created under the Escrow Deposit Agreement.

I. "Federal Securities" shall mean direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States of America, not redeemable at the option of the obligor.

J. "Fiscal Year" shall mean the period commencing on October 1 of each year and ending on the succeeding September 30 or such other annual period as may be prescribed by law from time to time for the Issuer.

SECTION 3. FINDINGS. The Issuer hereby readopts and incorporates herein by reference the findings made in Paragraphs D, E and H of Section 3 of the 1978 Resolution of the Issuer. It is further found, determined and declared as follows, that:

A. The Issuer will derive income from the investment of moneys to be deposited in escrow pursuant to the Escrow Deposit Agreement described in the 1978 Resolution. Such moneys and the income therefrom, as defined herein as "Escrow Deposit Income", are not now pledged or encumbered in any manner.

B. The principal of and interest on the Special Bonds and all other payments provided for will be payable solely from the Escrow Deposit Income, as herein defined and provided, and such Escrow Deposit Income will be sufficient for such purposes.

C. The Issuer will never be required by the holders of the Special Bonds to levy ad valorem taxes on any property within the Issuer to pay the principal of or interest on the Special Bonds or to make any of the reserve, sinking fund or other payments provided for in this Resolution, and the Special Bonds shall not

constitute a lien upon any of the properties of the Issuer, except upon the Escrow Deposit Income in the manner provided herein.

SECTION 4. ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Special Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer and such holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal holders of any and all of such Special Bonds and the coupons attached thereto, all of which shall be of equal rank and without preference, priority or distinction of any of the Special Bonds or coupons over any other thereof, except as expressly provided herein and therein.

SECTION 5. AUTHORIZATION OF REFUNDING. The refunding of the Refunded Bonds is hereby authorized in accordance with applicable law and the provisions of this Resolution and the 1978 Resolution.

SECTION 6. AUTHORIZATION OF BONDS. For the purpose of financing part of the cost of the refunding herein authorized, and subject and pursuant to the provisions of this Resolution, obligations of the Issuer to be known as "Special Obligation Bonds, Series 1978A" are hereby authorized to be issued in the aggregate principal amount of not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000).

SECTION 7. DESCRIPTION OF BONDS. The Special Bonds shall be in the denomination of \$5,000 each or multiples thereof and shall be dated December 1, 1977; shall be numbered; shall bear interest at not exceeding the maximum rate authorized by the Act, payable on such dates, and shall mature on such dates and in such years, and amounts, all as are fixed by Resolution of the Issuer adopted at or prior to the sale of the Special Bonds.

The Special Bonds shall be issued in coupon form; shall be payable with respect to both principal and interest at such bank or banks to be determined by the Issuer prior to the delivery of the Special Bonds; shall be payable in lawful money of the United States of America; and shall bear interest from such date, but not earlier than the date of the Special Bonds, as is fixed by Resolution of the Issuer adopted at or prior to the sale of the Special Bonds, payable in accordance with and upon surrender of the appurtenant interest coupons as they severally mature.

SECTION 8. EXECUTION OF BONDS AND COUPONS. The Special Bonds shall be executed in the name of the Issuer by the Chairman of the Board of County Commissioners and shall be attested by the Clerk of the Board of County Commissioners and its corporate seal or a facsimile thereof shall be affixed thereto or reproduced thereon. The facsimile signatures of the Chairman and Clerk may be imprinted or reproduced on the Special Bonds, provided that at least one signature required to be placed thereon shall be manually subscribed. In case any officer whose signature shall appear on any of the Special Bonds shall cease to be such officer before the delivery of the Special Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. The Special Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of execution of the Special Bonds shall hold the proper office with the Issuer, although at

the date of the Special Bonds such person may not have held such office or may not have been so authorized.

The coupons attached to the Special Bonds shall be authenticated with the facsimile signature of any present or future Chairman of the Board of County Commissioners, attested by the facsimile signature of any present or future Clerk of the Board of County Commissioners, and the validation certificate on the Special Bonds shall be executed with the facsimile signature of the Chairman. The coupons may be sealed by the imprinting thereon of the word ("Seal") . The Issuer may adopt and use for such purposes the facsimile signatures of any persons who shall have held such offices at any time on or after the date of adoption of this Resolution notwithstanding that they may have ceased to be such officers at the time the Special Bonds shall be actually delivered.

SECTION 9. NEGOTIABILITY AND REGISTRATION. The Special Bonds issued hereunder shall be, and shall have all of the qualities and incidents of negotiable instruments under the law merchant and the laws of the State of Florida, and each successive holder, in accepting any of the Special Bonds or the coupons appertaining thereto, shall be conclusively deemed to have agreed that such Special Bonds shall be and have all of the qualities and incidents of negotiable instruments under the law merchant and the laws of the State of Florida.

The Special Bonds may be registered, at the option of the holder, as to principal only, on the books of the Issuer at the office of the Clerk of the Board of County Commissioners.,, as Registrar, or such substitute Registrar as may hereafter be duly appointed, such registration to be noted on the back of the Special Bonds in the space provided therefor. After such registration as to principal only, no transfer of the Special Bonds shall be valid unless made at such office by written assignment of the registered owner or by his duly authorized agent or representative in a form satisfactory to the Registrar, and similarly noted on the Special Bonds, but the Special Bonds may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. At the option of the holder, the Special Bonds may thereafter again from time to time be registered or transferred to bearer as before. Such registration as to principal only shall not affect the negotiability of the coupons which shall continue to pass by delivery. The Issuer may make a reasonable charge for every such transfer sufficient to reimburse it for any expenses incurred by it; provided, however, that no charge shall be made by the Issuer for the first transfer of any Special Bond from bearer to the registered owner and for the first re-conversion from the registered owner to bearer.

SECTION 10. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Special Bonds shall become mutilated, or be destroyed, stolen or list, the Issuer may in its discretion issue and deliver a new Special Bond with all un-matured coupons attached of like tenor as the Special Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Special Bond upon surrender and cancellation of such mutilated Special Bond and attached coupons, if any, on in lieu of and substitution for the Special Bond and attached coupons, if any, destroyed stolen or lost,

and upon the holder furnishing the Issuer proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer may incur. All Special Bonds and coupons so surrendered shall be cancelled by the Clerk of the Board of County Commissioners. If any of the Special Bonds or coupons shall have matured or be about to mature, instead of issuing a substitute Special Bond or coupon, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Special Bond or coupon be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Special Bonds and coupons issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Special Bonds or coupons be at any time found by anyone, and such duplicate Special Bonds and coupons 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 same extent as all other Special Bonds and coupons issued hereunder.

SECTION 11. PROVISIONS FOR REDEMPTION. The Special Bonds shall not be subject to redemption prior to their maturity.

SECTION 12. FORM OF BONDS AND COUPONS. The text of the Special Bonds, the interest coupons and the certificate of validation shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this resolution or by any subsequent resolution or ordinance adopted prior to the issuance thereof:

UNITED STATES OF AMERICA

STATE OF FLORIDA

COUNTY OF SANTA ROSA

SPECIAL OBLIGATION BOND, SERIES 1978A

KNOW ALL MEN BY THESE PRESENTS, that Santa Rosa County, Florida (hereinafter called "County"), for value received, hereby promises to pay to the bearer hereof or, if this Bond be registered to the registered holder, as herein provided, on the 1st day of , from the special funds hereinafter mentioned the principal sum of FIVE THOUSAND DOLLARS with interest thereon at the rate of per centum per annum (I), payable on , and semi-annually thereafter on 1, and 1 of each year, upon the presentation and surrender of the annexed coupons as they severally fall due. Both principal of and interest on this Bond are payable in lawful money of the United States of America at the, or at the option of the holder, at

This Bond is one of an authorized issue of bonds in the aggregate principal amount of not exceeding \$1,500,000 of like date, tenor and effect, except as to number, maturity and interest rate, issued to finance a part of the cost of refunding the County's outstanding Certificates of Indebtedness, Series 1975 pursuant to the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 75-498, Laws of Florida, Special Acts of 1975, and other applicable provisions of law, and a resolution duly adopted by the Board of County Commissioners on 1978, as supplemented (hereinafter collectively called "Resolution"), and is subject to all the terms and conditions of such Resolution.

This Bond and the coupons appertaining thereto are payable solely from and secured by a pledge of and a first lien upon certain escrow deposit income in the manner described in the Resolution and the Escrow Deposit Agreement between Santa Rosa County and dated as of , 1978. Reference is made to the Resolution and the Escrow Deposit Agreement for the provisions, among others, relating to the terms, lien and security for the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds and the rights, duties and obligations of the County.

This Bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation of indebtedness, and it is expressly agreed by the holders of this Bond and of the coupons appertaining thereto that such holders shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the County for the payment of the principal of and interest on this Bond or the making of any sinking fund, reserve or other payments provided for in the Resolution authorizing this issue of Bonds.

It is further agreed between the County and the holder of this Bond that this Bond and the obligation evidenced thereby shall not constitute a lien upon any property of or in the County, but shall constitute a lien only on the escrow deposit income in the manner provided by the Resolution.

This Bond and the coupons appertaining thereto are and have all the qualities and incidents of a negotiable instrument under the law merchant and the laws of the State of Florida.

The County has entered into certain further covenants with the holders of the Bonds of this issue for the terms of which reference is made to the Resolution.

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

This Bond may be registered as to principal only in accordance with the provisions endorsed hereon.

IN WITNESS WHEREOF, Santa Rosa County, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Chairman of the Board of County Commissioners and attested by the manual or facsimile signature of the Clerk of the Board of County Commissioners, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon and has caused the interest coupons hereto attached to be executed with the facsimile signatures of such officers, all as of the first day of December, 1977.

SANTA ROSA COUNTY, FLORIDA

/s/ W.L. Butler, Chairman, Board of County Commissioners

Attest: /s/ Gerald F. Barnes, Clerk, Board of County Commissioners

FORM OF COUPONS

NO. \$

On the first day of _____, 19____, Santa Rosa County, Florida promises to pay to bearer at the or, at the option of the holder, at from the special funds described in the Bond to which this coupon is attached, the amount shown hereon, in lawful money of the United States of America, upon presentation and surrender of this coupon, being interest then due upon its Special Obligation Bond, Series 1978A, dated December 1, 1977, No.

SANTA ROSA COUNTY, FLORIDA

/s/ W.L. Butler, Chairman, Board of County Commissioners

ATTEST: /s/ Gerald F. Barnes, Clerk, Board of County Commissioners

VALIDATION CERTIFICATE

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court for Santa Rosa County, Florida, rendered on the day of _____, 1978.

/s/ W.L. Butler, Chairman, Board of County Commissioners

PROVISION FOR REGISTRATION

This Bond may be registered in the name of the holder on the books to be kept by the Clerk of the Board of County Commissioners, as Registrar, or such substitute Registrar as may hereafter be duly appointed, as to principal only, such registration being noted hereon by such Registrar in the registration blank below, after which no transfer shall be valid unless made on said books by the registered holder or attorney duly authorized and similarly noted in the registration blank below, but it may be discharged from registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be again registered as before. The registration of this Bond as to principal shall not restrain the negotiability of the coupons by delivery merely. The County may make a reasonable charge for every such transfer sufficient to reimburse it for any expenses incurred by it; provided, however, that no charge shall be made by the County for the first transfer of any Bond from bearer to the registered owner to bearer.

DATE OF REGISTRATION IN WHOSE NAME REGISTERED SIGNATURE OF REGISTRAR

SECTION 13. BONDS NOT TO BE INDEBTEDNESS OF ISSUER. Neither the Special Bonds nor coupons shall be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation of indebtedness, nor shall the Special Bonds or coupons constitute a lien on any property of or in the Issuer, but the Special Bonds and coupons shall be payable solely from the Escrow Deposit Income as herein provided. No holder or holders of any Special Bonds or of any coupons appertaining thereto shall ever have the right to require or compel, directly or indirectly, the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any property in the Issuer to pay such Special Bonds or the interest thereon or to enforce payment of such principal and interest from any other funds of the Issuer except the Escrow Deposit Income.

SECTION 14. SECURITY FOR SPECIAL BONDS. Payment of the principal of and interest on all of the Special Bonds shall be secured forthwith equally and ratably by an irrevocable first lien on and pledge of the Escrow Deposit Income in the manner provided herein. The Issuer does hereby irrevocably pledge the Escrow Deposit Income to the payment of the principal of and interest on the Special Bonds as the same become due.

SECTION 15. COVENANTS OF THE ISSUER. So long as any of the Special Bonds or interest thereon shall be outstanding and unpaid or until there shall have been set apart in the Income Account created under the Escrow Deposit Agreement a sum sufficient to pay at maturity, or redeem prior to maturity, the entire principal of the Special Bonds remaining unpaid together with all interest accrued or to accrue thereon or until provision for payment of the Special Bonds shall have been made in accordance with this resolution, the Issuer covenants with the holders of any and all of the Special Bonds as follows, that:

A. DEPOSITS OF ESCROW DEPOSIT INCOME. The Escrow Deposit Income shall be deposited in the Income Account created and established pursuant to the Escrow Deposit Agreement (hereinafter called "the Income Account"). Such Income Account shall be and constitute a trust fund for the purposes

provided in this resolution, shall be kept separate and distinct from all other funds of the Issuer and shall be used only for the purposes and in the manner provided in this resolution.

B. DISPOSITION OF ESCROW DEPOSIT INCOME. All Escrow Deposit Income at any time remaining on deposit in the Income Account shall be disposed of by the Escrow Holder on or prior to each interest payment date only in the following manner and in the following order of priority:

(1) There shall be paid to the paying agent a sum equal to the amount of interest which will become due and payable on the Special Bonds on the next interest payment date, and a sum equal to the amount of principal on the Special Bonds, if any, which will become due and payable on such date. Such payments in addition shall also include all handling charges of the paying agents to the extent that such handling charges are described as "Expenses" in the Escrow Deposit Agreement.

(2) If, on any interest payment date, the Escrow Deposit Income is insufficient to make the payments above provided, the deficiencies shall be made up on subsequent payment dates in addition to the payments which would otherwise be required to be made from the Income Account on the subsequent payment dates.

(3) Thereafter, any moneys remaining on deposit in the Income Account, after all required payments provided above have been made in full, shall be used first for the payment of "Expenses" as defined and in the manner provided in the Escrow Deposit Agreement.

(4) The balance, if any, shall be retained in the Income Account until the Escrow Deposit Agreement terminates according to its terms, at which time such funds shall be paid to the Issuer and used for any lawful purpose.

(5) Such special accounts and funds hereinabove provided, and all other funds created and established pursuant to this resolution shall constitute trust funds for the purposes provided herein. All of such accounts and funds shall be continuously secured in the same manner as State and municipal deposits of funds are required to be secured by the laws of the State of Florida; provided, however, that the obligations securing such accounts and funds shall be at all times equal in market value to the amount of moneys in such accounts and funds.

Moneys on deposit in the Income Account shall be invested only as provided in the Escrow Deposit Agreement.

C. REMEDIES. Any holder of Special Bonds or of any coupons appertaining thereto, issued under the provisions of this resolution or any trustees acting for the holders of such Special Bonds may either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, of the United States of America or granted and contained in this resolution and may enforce and compel the performance of all duties required by this resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof.

Nothing herein, however, shall be construed to grant to any holder of such Special Bonds any lien on any properties of the Issuer.

D. ISSUANCE OF ADDITIONAL OBLIGATIONS PAYABLE FROM ESCROW DEPOSIT INCOME. The Issuer will not issue any other obligations, payable from the Escrow Deposit Income nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon the Escrow Deposit Income.

SECTION 16. APPLICATION OF BOND PROCEEDS. The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Special Bonds shall be applied by the Issuer simultaneously with the delivery of such Special Bonds to the purchaser thereof, as follows:

A. The accrued interest and, at the option of the Issuer, any capitalized interest, shall be deposited in the Income Account herein created and shall be used only for the purpose of paying interest becoming due on the Special Bonds.

B. To the extent not paid or reimbursed therefor by the original purchaser of the Special Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Special Bonds not included in Expenses to be pursuant to the Escrow Deposit Agreement.

C. A portion of the proceeds, which shall be at least a sum specified in the Escrow Deposit Agreement which (1) together with the net proceeds of the sale of the 1978 Bonds and the other funds described in the Escrow Deposit Agreement to be deposited in escrow, will be sufficient to pay, as of any date of calculation, the principal of, interest on, and redemption premiums, if any, in respect to the Refunded Bonds as the same shall become due and payable or are redeemed as provided in the 1978 Resolution and which sum (2) together with the net proceeds of the sale of the 1978 Bonds and the other funds described in the Escrow Deposit Agreement to be deposited in escrow, and together with the Escrow Deposit Income, will be sufficient to make the payments described above and to pay the principal of and interest on the Special Bonds as the same shall become due, and the expenses, if any, set forth in the Escrow Deposit Agreement, shall be deposited into the Principal Account and the Income Account established in the Escrow Deposit Agreement, in the respective amounts sufficient for such purposes, and shall be held and applied by the Escrow Holder pursuant to the Escrow Deposit Agreement.

Such Accounts shall be kept separate and apart from all other funds of the Issuer and the moneys on deposit therein shall be withdrawn, used and applied by the Escrow Holder solely for the purposes set forth in the Escrow Deposit Agreement.

D. Simultaneously with the delivery of the Special Bonds to the purchaser thereof, the Issuer shall enter into the Escrow Deposit Agreement in substantially the form attached to the 1978 Resolution as Exhibit A with a bank or trust company approved by the Issuer, which shall provide for the deposit of sums into the Principal and Income Accounts and for the investment of such moneys in appropriate Federal Securities so as to produce sufficient funds to make all of the payments described in subparagraphs (1) and (2) of Section 16C of this Resolution. At the time of execution of the Escrow Deposit Agreement, the

Issuer shall furnish to the Escrow Holder named therein appropriate documentation to demonstrate that the sums being deposited and the investments to be made will be sufficient for such purposes.

No use will be made of the proceeds of the Special Bonds which, if reasonably expected on the date of issuance of the Special Bonds, would cause the same to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1954. The Issuer at all times while the Special Bonds and interest thereon are outstanding will comply with the requirements of Section 103(c) of the Internal Revenue Code of 1954 and any valid and applicable rules and regulations promulgated thereunder.

E. The balance of the proceeds, if any, shall be applied for any of the purposes authorized for the proceeds of the 1978 Bonds.

SECTION 17. SALE OF SPECIAL BONDS. The Special Bonds shall be issued and sold at one time and at such price or prices consistent with the provisions of the Act and the requirements of this resolution as the Issuer shall hereafter determine by resolution. The Special Bonds shall be sold and delivered only if a sufficient principal amount of the 1978 Bonds are sold and delivered at the same time to effect the complete refunding program described in Section 3 of this resolution and in the 1978 Resolution.

SECTION 18. MODIFICATION OR AMENDMENT. No material modification or amendment of this resolution or of any resolution or ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Special Bonds then outstanding, provided, however, that no modifications or amendment shall permit a change in the maturity of such Special Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligations or affecting the unconditional promise of the Issuer to collect the Escrow Deposit Income as herein provided, or to pay the principal of and interest on the Special Bonds as the same shall become due from the Escrow Deposit Income or reduce such percentage of holders of such Special Bonds, required above, for such modifications or amendments, without the consent of all of the holders of such Special Bonds.

SECTION 19. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this resolution or of the Special Bonds or coupons issued thereunder.

SECTION 20. VALIDATION AUTHORIZED. The County Attorney be and he is hereby authorized and directed to institute appropriate proceedings in the Circuit Court of the First Judicial Circuit of Florida, in and for Santa Rosa County, Florida, for the validation of such Special Bonds, and the proper officers of the Issuer are hereby authorized to verify on behalf of the Issuer any pleadings in such proceedings.

SECTION 21. REPEAL OF INCONSISTENT ORDINANCES OR RESOLUTIONS. All ordinances or resolutions or parts thereof in conflict herewith are hereby repealed.

SECTION 22. EFFECTIVE DATE. This resolution shall become effective as immediately upon its adoption.

CERTIFICATE OF RECORDING OFFICER

The undersigned HEREBY CERTIFIES that:

1. He is the duly appointed, qualified, and acting Ex Officio Clerk of the Board of County Commissioners (herein called the Clerk) and keeper of the records thereof, including the minutes of its proceedings:
2. The annexed copy of extracts from the minutes of the Regular Meeting of the Board, held on the 30th day of March, 1978, is a true, correct, and compared copy of the whole of the original minutes of said meeting on file and of record insofar as the same relate to the Resolution referred to in said extracts and to the other matters referred to therein:
3. Said meeting was duly convened in conformity with all applicable requirements: a proper quorum was present throughout said meeting and the Resolution hereinafter mentioned was duly proposed, considered, and adopted in conformity with applicable requirements: and all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out, and otherwise observed:
4. He is duly authorized to execute this Certificate: and
5. The copy of the Resolution annexed hereto entitled:

A Resolution authorizing the refunding of certain presently outstanding revenue obligations of Santa Rosa County, Florida; Providing for the issuance of not exceeding \$1,500,000. special obligation bonds, series 1978A, of the County to be applied to refund the principal, interest and redemption premiums in respect to such presently outstanding obligations, providing for the payment of the refunding bonds from escrow deposit income; and making certain covenants and agreements in connection therewith. is a true, correct, and compared copy of the original Resolution referred to in said extracts and as finally adopted at said meeting and, to the extent required by law, as thereafter duly signed or approved by the proper officer or officers of the Board of County Commissioners, which Resolution is on file and of record.

WITNESS my hand and the seal of the Clerk of Circuit Court, this 3rd day of April, 1978.

/s/ Gerald F. Barnes, Clerk of Courts and Ex Officio Clerk to the Board of County Commissioners of Santa Rosa County, Florida.

The Personnel and Grievance Committee had met at 9:30 A.M. on March 30 and made several recommendations:

1. The Committee recommended Mr. Jones' request be honored and his over-all responsibility as Communications Officer be removed, effective April 1, 1978. The Committee also recommended Mr. Jones remain in a voluntary position of Civil Defense Communications Coordinator. Rollo moved approval, which was seconded by Godwin and carried by unanimous vote.

2. The Committee recommended, and Rollo moved approval that the expense for the voluntary position of Civil Defense Communications Coordinator be on a reimbursable basis of 14c a mile with expense vouchers to be submitted and the \$1,800. flat travel allowance be discontinued. Godwin seconded the motion and it carried by unanimous vote.

3. The Committee recommended, and Rollo moved approval, in order to retain matching funds for the Santa Rosa County Communications Officer position Mr. Crumpler be appointed to this position in title only. This does not provide an increase in Mr. Crumpler's salary but allows that a portion of it be paid from the Civil Defense Budget. Godwin seconded the motion and it carried by unanimous vote.

4. The Committee recommended that the Commissioners get out of the insurance business and bill the people who use the County ambulance direct, providing them with whatever information necessary for them to file for their insurance and providing the Clerk's Office with whatever information necessary for billing. Godwin moved approval, which was seconded by Smith and carried by majority vote with Rollo opposed. Rollo said he was not opposed to the procedure but did not feel the solution to the low collection rate was moving the responsibility to the Clerk's Office.

5. The Committee recommended, and Rollo moved approval, that all actions taken by the Board of County Commissioners affecting the various department heads be submitted to them in writing as soon as possible. If there is a time frame that will not permit this, it be done by telephone with a follow up letter. Godwin seconded the motion and it carried by unanimous vote.

Godwin moved, effective April 1, 1978, purchase orders for the Civil Defense Department be issued through the regular purchase order procedure and the Civil Defense Department discontinue issuing its own purchase orders. Rollo seconded the motion and it carried by unanimous vote.

Will Robinson called to the attention of the Board that Mr. Collingsworth's house burned and he felt the County could undertake rehabilitation assistance through its Community Development Block Grant program. This will consist of demolishing the remains of the existing home, acquiring another home to be moved and set up on the property and making the needed repairs for utilities. After some discussion Smith moved this project he declared an emergency and the Grants Department be authorized to proceed as soon as possible. Lewis seconded the motion and it carried by unanimous vote.

Smith called to the attention of the Board a water problem and that Rex Smith has agreed for the County to install approximately 6D - 8D ft of pipe on his property to alleviate the problem, and moved approval, subject to the approval of Attorney Johnson. Rollo seconded the motion and it carried by unanimous vote.

The need for a drainage easement was brought up with reference to the Rex Smith property and Rollo posed a question as to whether or not the County can work on private property through a working agreement instead of an easement. After some discussion Rollo moved the matter be referred to Attorney Johnson with a recommendation that it is the desire of the Board of County Commissioners to do the work without an easement if possible. Smith seconded the motion and it carried by unanimous vote.

Some of the employees have requested, and Lewis moved approval, for a fish fry when the Wagner Bridge project is completed. Smith seconded the motion and it carried by unanimous vote.

Rollo moved BLUE GILL LANE be accepted for dirt road maintenance, subject to inspection and approval of Mr. Stanhope. Smith seconded the motion and it carried by unanimous vote.

Rollo moved approval for the construction of sea walls on the boat ramps at Oriole Beach, Woodland Beach, Navarre Park and Red Fish Pond Point to keep out shifting sand. The walls will be approximately 50 - 60 ft long on each side of each ramp. Smith seconded the motion and it carried by unanimous vote.

Larry Stanhope called to the attention of the Board a problem with Type II asphalt. He said they have had tests made on it, it meets the Department of Transportation specifications but it is breaking up. Santa Rosa Asphalt and Materials had it tested also and it meets all specifications. Mr. Tom Justice was in attendance but had not looked at the material. The Board requested that he check it, order whatever

tests necessary to determine the problem. After some discussion Godwin moved all Type II work be discontinued until the problem is resolved. Rollo seconded the motion and it carried by unanimous vote.

Rollo called to the attention of the Board the necessity for appropriating \$1,200. for park maintenance, and moved approval, which was seconded by Godwin and carried by unanimous vote.

Godwin recommended, and the Chairman appointed, Jimmy Stephens to the US.90 Committee.

Godwin advised the Board that the Personnel Committee will meet with Attorney Johnson and work up an Ordinance providing for a chain of command. He said he hopes to have this ready and available to the Commissioners within the next few days so that it can be reviewed at the meeting of the Board on April 13.

Mrs. Hoodless requested the Board declare lots 3 thru 8 in Block E of Oakridge Park Subdivision surplus and take whatever action necessary to return title to the original owners. This property was deeded to the County to be used as park but has never been utilized. Rollo said he did not feel it would be in the best interest of the County to dispose of any park property and no official action was taken.

There being no further business to come before the Board at this time the meeting adjourned.