

PRELIMINARY OFFERING STATEMENT DATED [____], 20[____]

NEW ISSUE - Book-Entry-Only

[RATINGS: See “—RATINGS” herein]

In the opinion of Holland & Knight LLP, Special Counsel, as more fully described herein, under existing law and assuming continuing compliance by the City (hereinafter defined) with certain tax covenants, the Interest Component of the Basic Rent Payments (as such capitalized terms are hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, such Interest Component of the Basic Rent Payments is included in the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code. See “TAX MATTERS” herein. However, no opinion is expressed with respect to the federal income tax consequences of any payments received or to be received with respect to the Series 20[____] Certificates following termination of the Series 20[____] Lease (hereinafter defined) as a result of an Event of Default or an Event of Non-Appropriation (as such capitalized terms are hereinafter defined). [Add additional language for Taxable Certificates if any.]

\$[____]*

CERTIFICATES OF PARTICIPATION

(Civic Facilities Master Lease Program), Series 20[____]

Evidencing Undivided Proportionate Interests of the Owners Thereof

in Basic Rent Payments to be Made by the

CITY OF POMPANO BEACH, FLORIDA, as Lessee,

Pursuant to a Master Lease-Purchase Agreement with

POMPANO BEACH FINANCE CORPORATION, as Lessor

Dated: Date of Delivery

Due: As shown on inside cover

The Certificates of Participation (Civic Facilities Master Lease Program), Series 20[____] (the “Series 20[____] Certificates”) evidence undivided proportionate interests in Basic Rent Payments to be made by the City of Pompano Beach, Florida (the “City”) pursuant to a Master Lease-Purchase Agreement [to be] dated as of [____] 1, 20[____] (the “Master Lease”) and [to be] entered into by and between the City, as lessee, and Pompano Beach Finance Corporation, a not-for-profit Florida corporation created by the City (the “Corporation”), as lessor, as more fully described herein, as supplemented by the Series 20[____] Lease Schedule thereto to be dated as of [____] 1, 20[____] and to be entered into by and between the City, as lessee and the Corporation, as lessor (the “Series 20[____] Lease Schedule” and together with the Master Lease, the “Series 20[____] Lease”). The Series 20[____] Certificates are being issued under the Master Trust Agreement [to be] dated as of [____] 1, 20[____] (the “Master Trust Agreement”) and [to be] entered into by and among the City, the Corporation, and [____], as trustee (the “Trustee”), as supplemented by that certain Series 20[____] Supplemental Trust Agreement to be dated as of [____] 1, 20[____] and to be entered into by and among the City, the Corporation and the Trustee (the “Series 20[____] Supplemental Trust Agreement” and together with the Master Trust Agreement, the “Series 20[____] Trust Agreement”). All capitalized terms not otherwise defined

herein shall have the meanings ascribed thereto in the Series 20[] Lease and the Series 20[] Trust Agreement.

Pursuant to an Assignment of Lease Agreement [to be] dated as of [] 1, 20[] and [to be] entered into by and between the Corporation and the Trustee, the Corporation has irrevocably assigned to the Trustee certain of the Corporation's rights under the Master Lease, as supplemented by the Series 20[] Lease Schedule and all other Lease Schedules thereto, including the right to receive Basic Rent Payments paid by the City, but excluding certain retained indemnification rights and the rights to enter into certain amendments to the Lease Schedules and its obligations under Section 6.03 of the Master Lease. In addition, pursuant to a Series 20[] Assignment of Ground Lease Agreement to be dated as of [] 1, 20[] and to be entered into by and between the Corporation and the Trustee, the Corporation has assigned to the Trustee its right, title and interest in the Series 20[] Ground Lease (hereinafter defined). See "APPENDIX B—Forms of Series 20[] Ground Lease, Series 20[] Lease and Series 20[] Trust Agreement."

The Series 20[] Certificates will be executed and delivered in fully registered form and will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of Series 20[] Certificates will be made in denominations of \$5,000 or any integral multiple thereof. Purchasers of Series 20[] Certificates will not receive physical delivery of Series 20[] Certificates. The Interest Component of Basic Rent Payments represented by the Series 20[] Certificates is payable on January 1 and July 1 of each year, commencing [] 1, 20[]. The Interest Component and Principal Component of the Basic Rent Payments will be paid by the Trustee, to Cede & Co., as nominee for DTC, as registered owner of the Series 20[] Certificates, to be subsequently disbursed to DTC participants and thereafter to the beneficial owners of the Series 20[] Certificates, all as further described herein. See "THE SERIES 20[] CERTIFICATES—Book-Entry-Only System."

Proceeds of the Series 20[] Certificates will be used to provide funds to (i) finance, all or in part, the acquisition, construction and installation of [describe Civic Facility or Civic Facilities], [together with related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, signage, traffic signals and on-street parking spaces], as more fully described herein under "THE SERIES 20[] PROJECT," [(ii) pay capitalized interest on the Series 20[] Certificates through on or about [] 1, 20[]; and (iii) pay Costs of Issuance of the Series 20[] Certificates. See "ESTIMATED SOURCES AND USES OF FUNDS." [The Series 20[] Certificates will **not** be secured by the Reserve Account or any subaccount therein and the Reserve Requirement for the Series 20[] Certificates is \$0.00.]

Completion Certificates and Refunding Certificates may be issued on a parity with the Series 20[] Certificates under the Master Trust Agreement, subject to the terms and conditions thereof. See "SECURITY FOR THE SERIES 20[] CERTIFICATES—Master Trust Agreement—Selected Matters Relating to Certificates." The Series 20[] Certificates are subject to optional, extraordinary and mandatory prepayment prior to maturity, as described herein. See "DESCRIPTION OF THE SERIES 20[] CERTIFICATES—Prepayment."

[Municipal bond insurance option language to be added if applicable]

THE PAYMENTS DUE FROM THE CITY UNDER THE MASTER LEASE, THE SERIES 20[] LEASE SCHEDULE AND ANY LEASE SCHEDULE TO THE MASTER LEASE IN ADDITION TO THE SERIES 20[] LEASE SCHEDULE ARE TO BE MADE ONLY FROM AVAILABLE REVENUES APPROPRIATED BY THE CITY FOR SUCH PURPOSE. NONE OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE UNDER THE MASTER LEASE, THE SERIES 20[] LEASE SCHEDULE OR ANY OTHER LEASE SCHEDULE FROM SOURCES OTHER THAN APPROPRIATED REVENUES. NONE OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF HAS PLEDGED ITS FAITH AND CREDIT FOR PAYMENT OF SUMS DUE UNDER THE MASTER LEASE, THE SERIES 20[] LEASE AND ANY OTHER LEASE SCHEDULE. THE OBLIGATIONS ARISING UNDER THE MASTER LEASE, THE SERIES 20[] LEASE AND ANY OTHER LEASE SCHEDULE DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. See “SECURITY FOR THE SERIES 20[] CERTIFICATES” and “SELECTED INVESTMENT CONSIDERATIONS” herein.

SEE ALSO THE INSIDE COVER PAGE FOR ADDITIONAL INFORMATION RELATING TO THE SERIES 20[] CERTIFICATES AND THE MATURITY SCHEDULE FOR THE SERIES 20[] CERTIFICATES.

INVESTMENT IN THE SERIES 20[] CERTIFICATES POSES CERTAIN RISKS. SEE “SELECTED INVESTMENT CONSIDERATIONS” AND “SUITABILITY FOR INVESTMENT.”

This cover page contains certain information for quick reference only. It is **not** a summary of the Series 20[] Certificates. Investors must read this entire Offering Statement to obtain information essential to the making of an informed investment decision.

The Series 20[] Certificates are offered for delivery in book-entry-only form, when, as and if issued by the Trustee and accepted by the Underwriter (hereinafter defined), subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Holland & Knight LLP, Fort Lauderdale, Florida, Special Counsel, as to the validity of the Series 20[] Certificates [and the excludability of interest on the Series 20[] Certificates from gross income for federal income tax purposes]. Holland & Knight LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel to the City. Mark E. Berman, Esq. is the City Attorney to the City. PFM Financial Advisors LLC, Coral Gables, Florida is serving as Municipal Advisor to the Agency. [Add others as needed] It is expected that the Series 20[] Certificates will be delivered in book-entry-only form through the facilities of DTC, New York, New York on or about [], 20[].

[UNDERWRITER(S)]

Dated: [], 20[]

*Preliminary, subject to change.

This Preliminary Offering Statement and any information contained herein are subject to completion and amendment. The Series 20[] Certificates may not be sold and offers to buy may not be accepted prior to the time the Offering Statement is delivered in final form. Under no circumstances may this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 20[] Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

[Inside Cover]

ADDITIONAL INFORMATION

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Series 20[] Lease and the Series 20[] Trust Agreement (as such capitalized terms are defined later herein).

The City [has entered][will enter] into the Master Lease with the Corporation for the purpose of lease-purchasing, from time to time, one or more Projects, which consist of one or more Civic Facilities, and which may include related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, signage, and traffic signals and on-street parking spaces. Each Project to be lease-purchased is identified on a separate lease schedule to the Master Lease (each, a “Lease Schedule”). Upon execution and delivery thereof, each Lease Schedule, together with the Master Lease, constitutes a separate lease agreement with respect to the related Project (each, a “Lease” and collectively, the “Leases”). The Master Lease, together with all Lease Schedules, is referred to as the “Lease Agreement.”

The Projects subject to each Lease are financed and refinanced generally with separate Series of Certificates issued under the Master Trust Agreement, as supplemented by a Supplemental Trust Agreement related to each Series of Certificates. See “SUMMARY OF MASTER LEASE-PURCHASE PLAN—‘General,’ ‘Master Lease’ and ‘Master Trust Agreement’.”

[The City has previously entered into [a] [] Lease[s] ([collectively,] the “Prior Lease[s]”) and may in the future enter into Leases under the Master Lease, in addition to the Series 20[] Lease. See “SUMMARY OF MASTER LEASE-PURCHASE PLAN—‘General’ and ‘Master Lease’.” In connection with the Prior Lease[s], the Trustee has previously issued [a] [] Series of Certificates under the Master Trust Agreement ([collectively,] the “Prior Certificates”). See “SECURITY FOR THE SERIES 20[] CERTIFICATES—Master Trust Agreement—Selected Matters Relating to Certificates.”] [The Series 20[] Lease is the initial Lease entered into by the City under the Master Lease. The City may, in the future, enter into Leases under the Master Lease in addition to the Series 20[] Lease. See “SUMMARY OF MASTER LEASE-PURCHASE PLAN—‘General’ and ‘Master Lease’.”]

The payment obligations of the City under the Lease Agreement are subject to annual appropriation. The Master Lease provides that the City shall not budget and appropriate Available Revenues for a portion of the Projects leased pursuant to the Master Lease and that it must budget and appropriate Lease Payments for all of the Projects described on all Lease Schedules entered into pursuant to the Master Lease or none of them. See “SUMMARY OF MASTER LEASE-PURCHASE PLAN—‘General’ and ‘Master Lease’.”

The City is not legally required to appropriate moneys for the purpose of making Lease Payments. Failure to appropriate funds to pay Lease Payments under any Lease will, and certain events that are an Event of Default under the Master Lease may, result in the termination of all Leases, including the Series 20[] Lease. Upon such termination and, upon certain Events of Default that do not result in termination of the Lease Agreement, the City is required to immediately surrender and deliver use, possession and control to the Trustee of the Projects financed and refinanced under all Leases, including the Series 20[] Project, but excluding the Excluded Components (which, with respect to the Series 20[] Project, is comprised of the Series 20[] Excluded Components) [, subject to the applicable Use Arrangements].

The proceeds, if any, arising from the disposition by the Trustee of the Series 20[] Project (other than the Series 20[] Excluded Components) will be applied to the payment of

the Series 20[] Certificates, after payment of the expenses of the Trustee, and then as described in the Series 20[] Lease. **The Series 20[] Excluded Components are not subject to surrender of the exercise of remedies and the City may not be dispossessed of the Series 20[] Excluded Components.** See “THE SERIES 20[] PROJECT—Series 20[] Project Components.”

[IF THE TRUSTEE EXERCISES REMEDIES WITH RESPECT TO THE PROJECTS UPON AN EVENT OF NON-APPROPRIATION OR UPON CERTAIN EVENTS OF DEFAULT UNDER THE MASTER LEASE, ONLY AMOUNTS, IF ANY, REALIZED FROM THE DISPOSITION OF THE PORTION OF THE SERIES 20[] PROJECT SUBJECT TO SURRENDER (WHICH EXCLUDES THE SERIES 20[] EXCLUDED COMPONENTS) WILL BE AVAILABLE TO MAKE LEASE PAYMENTS AND OTHER PAYMENTS DUE UNDER THE SERIES 20[] LEASE AND THE SERIES 20[] TRUST AGREEMENT WITH RESPECT TO THE SERIES 20[] CERTIFICATES.]

Should termination of the Series 20[] Lease occur, the Series 20[] Certificates will not be prepaid except to the extent the Trustee has moneys available for such purpose to the Series 20[] Trust Agreement and the Series 20[] Lease. [Add language for insured Series 20[] Certificates if applicable.] Special Tax Counsel will express no opinion as to the federal income tax consequences of any payments received with respect to the Series 20[] Certificates following termination of the Series 20[] Lease as a result of an Event of Default or an Event of Non-Appropriation. In addition, transfers of the Series 20[] Certificates may be subject to compliance with the registration provisions of federal and state securities laws following an Event of Non-Appropriation or an Event of Default under the Master Lease which results in termination of the Lease Term of the Series 20[] Lease. See “TAX MATTERS” and “SELECTED INVESTMENT CONSIDERATIONS” herein.

MATURITY SCHEDULE

\$[]* Serial Series 20[] Certificates				
<u>Due January 1,</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Initial CUSIP No.**</u>
\$[]* []% Term Series 20[] Certificates Maturing January 1, 20[] Price []% Initial CUSIP No. []**				
\$[]* []% Term Series 20[] Certificates Maturing January 1, 20[] Price []% Initial CUSIP No. []**				

*Preliminary, subject to change.

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CITY OF POMPANO BEACH, FLORIDA

CITY COMMISSION

[Rex Hardin, Mayor
Alison Fournier, Vice Mayor
Rhonda Eaton
Audrey Fesik
Beverly Perkins
Darlene H. Smith]

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>
Greg Harrison	City Manager
Suzette Sibble	Assistant City Manager
Mark E. Berman, Esq.	City Attorney
Kervin Alfred	City Clerk
Allison Feurtado, CPA	Finance Director

CONSULTANTS AND ADVISORS

Special Counsel and Disclosure Counsel

Holland & Knight LLP
Fort Lauderdale, Florida

Municipal Advisor
PFM Financial Advisors LLC
Coral Gables, Florida

[Add others as applicable]

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY, THE CORPORATION, THE UNDERWRITER (AS SUCH CAPITALIZED TERMS ARE DEFINED HEREIN) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE SERIES 20[] CERTIFICATES (AS DEFINED HEREIN), OTHER THAN THOSE CONTAINED IN THIS OFFERING STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CITY, THE CORPORATION, THE UNDERWRITER. THIS OFFERING STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 20[] CERTIFICATES, BY ANY PERSON IN ANY STATE IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFERING STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF. THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFERING STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFERING STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE SERIES 20[] CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE SERIES 20[] TRUST AGREEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 20[] CERTIFICATES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATE, IF ANY, IN WHICH THE SERIES 20[] CERTIFICATES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 20[] CERTIFICATES OR THE ACCURACY OR COMPLETENESS OF THIS OFFERING STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY UPON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 20[] CERTIFICATES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 20[] CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 20[] CERTIFICATES TO CERTAIN DEALERS AND OTHERS AT PRICES OR YIELDS LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER OF THIS OFFERING STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFERING STATEMENT CONSTITUTE “FORWARD-LOOKING STATEMENTS.” SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR. SEE “OTHER INFORMATION—FORWARD-LOOKING STATEMENTS DISCLAIMER.”

THIS OFFERING STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITER AND ANY ONE OR MORE HOLDERS OF THE SERIES 20[] CERTIFICATES.

Certain information in this Offering Statement has been provided by The Depository Trust Company, New York, New York (“DTC”). None of the City, the Corporation or the Underwriter has provided information in this Offering Statement with respect to DTC. None of the City, the Corporation or the Underwriter certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and they are not responsible for the information provided by DTC.

THIS OFFERING STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFERING STATEMENT SHOULD BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITES.

THIS PRELIMINARY OFFERING STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15C2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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**OFFERING STATEMENT
RELATING TO**

\$[_____]*
CERTIFICATES OF PARTICIPATION
(Civic Facilities Master Lease Program), Series 20[____]
Evidencing Undivided Proportionate Interests of the Owners Thereof
in Basic Rent Payments to be Made by the
CITY OF POMPANO BEACH, FLORIDA, as Lessee,
Pursuant to a Master Lease-Purchase Agreement with
POMPANO BEACH FINANCE CORPORATION, as Lessor

INTRODUCTION

This Offering Statement, which includes the cover page, inside cover page and the Appendices hereto, provides certain information regarding the issuance of \$[_____] in aggregate principal amount of Certificates of Participation (Civic Facilities Master Lease Program), Series 20[____] (the “Series 20[____] Certificates”). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the hereinafter defined Series 20[____] Lease and the hereinafter defined Series 20[____] Trust Agreement.

Proceeds of the Series 20[____] Certificates will be used to provide funds to (i) finance, all or in part, the acquisition, construction and installation of [describe Civic Facility or Civic Facilities to be financed] (the “Series 20[____] Civic Facility”), [together with related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, signage, traffic signals and on-street parking spaces (collectively, the “Series 20[____] Roadways”)], as more fully described herein under “THE SERIES 20[____] PROJECT;” [(ii) pay capitalized interest on the Series 20[____] Certificates through on or about [____] 1, 20[____]; and (iii) pay Costs of Issuance of the Series 20[____] Certificates. See “ESTIMATED SOURCES AND USES OF FUNDS.” [The Series 20[____] Certificates will **not** be secured by the Reserve Account or any subaccount therein and the Reserve Requirement for the Series 20[____] Certificates is \$0.00.]

The City of Pompano Beach, Florida (the “City”) [has entered][will enter] into a Master Lease-Purchase Agreement [to be] dated as of [____] 1, 20[____] (the “Master Lease”) and [to be] entered into by and between the City, as lessee, and the Pompano Beach Finance Corporation, a not-for-profit Florida corporation created by the City Florida (the “Corporation”), as lessor, for the purpose of lease-purchasing from time to time one or more Projects, which consist of one or more Civic Facilities, including the Series 20[____] Civic Facility, and which may include related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, signage, traffic signals and on-street parking spaces, including the Series 20[____] Roadways.

Each Project to be lease-purchased from time to time is identified on a separate lease schedule to the Master Lease (each, a “Lease Schedule”). Upon execution and delivery thereof,

*Preliminary, subject to change.

each Lease Schedule, together with the Master Lease, constitutes a separate lease agreement with respect to the related Project (each, a “Lease” and collectively, the “Leases”). The Master Lease, together with all Lease Schedules, is referred to as the “Lease Agreement.”

The City owns the [portion of the] Land on which the Series 20[] Project will be located (the “Series 20[] Land”). Pursuant to a Ground Lease to be dated as of [] 1, 20[] between the City, as lessor, and the Pompano Beach Finance Corporation, a not-for-profit Florida corporation created by the City (the “Corporation”), as lessee (the “Series 20[] Ground Lease”), the City will lease such Series 20[] Land to the Corporation, subject to Permitted Encumbrances (as defined in the Series 20[] Ground Lease). The Corporation will lease the Series 20[] Project and Series 20[] Land back to the City pursuant to the Series 20[] Lease. See “APPENDIX B—Forms of Series 20[] Ground Lease, Series 20[] Lease and Series 20[] Trust Agreement.”

The Series 20[] Certificates evidence undivided proportionate interests in Basic Rent Payments to be made by the City pursuant to the “Series 20[] Lease” and are being issued under the Master Trust Agreement [to be] dated as of [] 1, 20[] (the “Master Trust Agreement”) and [to be] entered into by and among the City, the Corporation, and [], as trustee (the “Trustee”), as supplemented by that certain Series 20[] Supplemental Trust Agreement to be dated as of [] 1, 20[] and to be entered into by and among the City, the Corporation and the Trustee (the “Series 20[] Supplemental Trust Agreement” and together with the Master Trust Agreement, the “Series 20[] Trust Agreement”).

Pursuant to an Assignment of Lease Agreement [to be] dated as of [] 1, 20[] and [to be] entered into by and between the Corporation and the Trustee (the “Assignment of Lease Agreement”), the Corporation has irrevocably assigned to the Trustee certain of the Corporation’s rights under the Master Lease, as supplemented by the Series 20[] Lease Schedule and all other Lease Schedules thereto, including the right to receive Basic Rent Payments paid by the City, but excluding certain retained indemnification rights and the rights to enter into certain amendments to the Lease Schedules and its obligations under Section 6.03 of the Master Lease. In addition, pursuant to a Series 20[] Assignment of Ground Lease Agreement to be dated as of [] 1, 20[] and to be entered into by and between the Corporation and the Trustee (the “Series 20[] Assignment of Ground Lease Agreement”), the Corporation has assigned to the Trustee its right, title and interest in the Series 20[] Ground Lease. See “APPENDIX B—Forms of Series 20[] Ground Lease, Series 20[] Lease and Series 20[] Trust Agreement.”

[Municipal bond insurance option to be added if applicable]

[The City has previously entered into [a][] Lease[s] ([collectively,] the “Prior Lease[s]”) and may in the future enter into Leases under the Master Lease, in addition to the Series 20[] Lease. See “SUMMARY OF MASTER LEASE-PURCHASE PLAN—‘General’ and ‘Master Lease’.” In connection with the Prior Leases, the Trustee has previously issued [a][] Series of Certificates under the Master Trust Agreement ([collectively,] the “Prior Certificates”). See “SECURITY FOR THE SERIES 20[] CERTIFICATES—Master Trust Agreement—Selected Matters Relating to Certificates.”][The Series 20[] Lease is the initial Lease entered into by the City under the Master Lease. The City may, in the future, enter into

Leases under the Master Lease in addition to the Series 20[] Lease. See “SUMMARY OF MASTER LEASE-PURCHASE PLAN—‘General’ and ‘Master Lease’.”]

[Additional Certificates may be issued in the future pursuant to the Master Trust Agreement to finance or refinance a new Project subject to a Lease, to complete a Project subject to a Lease or to refund Outstanding Certificates.] Completion Certificates relating to the Series 20[] Project and Refunding Certificates that are issued to refund only a portion of the Outstanding Principal Component of Basic Rent Payments relating to the Series 20[] Certificates may be issued on a parity with the Series 20[] Certificates under the Master Trust Agreement, subject to the terms and conditions thereof. See “SECURITY FOR THE SERIES 20[] CERTIFICATES—Master Trust Agreement—Selected Matters Relating to Certificates.”

THE PAYMENTS DUE FROM THE CITY UNDER THE MASTER LEASE, THE SERIES 20[] LEASE SCHEDULE AND ANY LEASE SCHEDULE TO THE MASTER LEASE IN ADDITION TO THE SERIES 20[] LEASE SCHEDULE ARE TO BE MADE ONLY FROM AVAILABLE REVENUES APPROPRIATED BY THE CITY FOR SUCH PURPOSE. NONE OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE UNDER THE MASTER LEASE, THE SERIES 20[] LEASE SCHEDULE OR ANY OTHER LEASE SCHEDULE FROM SOURCES OTHER THAN APPROPRIATED REVENUES. NONE OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF HAS PLEDGED ITS FAITH AND CREDIT FOR PAYMENT OF SUMS DUE UNDER THE MASTER LEASE, THE SERIES 20[] LEASE AND ANY OTHER LEASE SCHEDULE. THE OBLIGATIONS ARISING UNDER THE MASTER LEASE, THE SERIES 20[] LEASE AND ANY OTHER LEASE SCHEDULE DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. See “SECURITY FOR THE SERIES 20[] CERTIFICATES” and “SELECTED INVESTMENT CONSIDERATIONS” herein.

The Series 20[] Certificates are subject to optional, extraordinary and mandatory prepayment prior to maturity, as described herein. See “DESCRIPTION OF THE SERIES 20[] CERTIFICATES—Prepayment.”

INVESTMENT IN THE SERIES 20[] CERTIFICATES POSES CERTAIN RISKS. SEE “SELECTED INVESTMENT CONSIDERATIONS” AND “SUITABILITY FOR INVESTMENT.”

Brief descriptions of the Series 20[] Ground Lease, the Series 20[] Assignment of Ground Lease Agreement, the Series 20[] Lease, the Series 20[] Trust Agreement, the Assignment of Lease Agreement, the Series 20[] Certificates, and the security for the Series 20[] Certificates are included in this Offering Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. See

APPENDIX B hereto for forms of the Series 20[] Ground Lease, Series 20[] Lease and Series 20[] Trust Agreement.

THE SERIES 20[] PROJECT

General

The Series 20[] Land owned by the City on which the proposed Series 20[] Project will be located is situated in the area of the City referred to as the “Downtown,” which is, primarily bounded by Interstate 95 on the west, Dixie Highway on the east, Dr. Martin Luther King, Jr. Boulevard on the north, and Atlantic Boulevard on the south. Such land is further located within the Northwest District area (the “Northwest District”) of the City’s Community Redevelopment Agency (the “Agency”). The Northwest District has been the subject of significant redevelopment efforts since it was first established in 1989. Most recently, the City, together with the Agency, is actively involved in bringing a large scale project to the Downtown (the “Downtown Master Redevelopment Project”).

As more fully described in the following paragraph, the Downtown Master Redevelopment Project is intended to create a vibrant and pedestrian friendly development emphasizing and embodying “live, work, play” elements by integrating a variety of daytime and night-time economic uses, including a hotel, office, retail and restaurant space, and a dense residential component. The Downtown is planned to be anchored by a civic component, consisting of the Civic Facilities to be financed [all or in part] pursuant to the Master Lease, including the Series 20[] Civic Facility.

The Downtown is envisioned as a high density, urban area with a mix of uses, including residential, office, hotel, retail and restaurant uses. Redevelopment of this area is based on a “Smart City” concept that considers the physical and technical integration of people and places, such that the Downtown can become a hub of activity. The Agency and the City own approximately land in this area and development of these parcels is a top priority of the Downtown Master Redevelopment Project. To maximize the development potential of these parcels, an innovative draining system is contemplated to include a series of waterways inspired by the canal systems in Amsterdam and The Riverwalk in San Antonio, Texas. The waterways are planned to provide a shared drainage system for maximum build out capacity across the parcels by eliminating the need for dry retention ponds. [Discuss status of construction]

[Consider adding rendering of Downtown Master Redevelopment Project or map of Downtown]

The table below sets forth the current planned uses in the Downtown Master Redevelopment Project at full build-out, which are subject to change based on market and other conditions, many of which are outside the control of the City and the Agency:

<u>Proposed Use</u>	<u>Density (approximate)</u>
Multi-family	3,120 units
Office	717,500 square feet
Commercial/retail	159,000 square feet
Hotel	165 rooms
Community Center*	20,000 square feet
City Hall*	116,000 square feet
Open Space	8.82 acres
Public Parking*	2,360 spaces

*Included in the Civic Facilities.

Master Development Agreement

In 2023, pursuant to an invitation to negotiate process, the City and the Agency selected a private developer (the “Master Developer”) with respect to the Downtown Master Redevelopment Project. The City, the Agency and the Master Developer entered into a written public/private development agreement dated June 24, 2024 (the “Master Development Agreement”), together with related written arrangements, to provide for the Downtown Master Redevelopment Project to be implemented in multiple phases, projected to occur from 2024 through 2044, the current term of the Master Development Agreement, although it is anticipated the majority of the development will occur over the first 10 to 12 years of the term of the Master Development Agreement.

Pursuant to the Master Development Agreement, the Master Developer is chiefly responsible for (i) the delivery of the site work and horizontal public and private infrastructure required for certain property in the Downtown to be ready for vertical development; (ii) acquiring various non-governmental parcels within the Downtown for redevelopment by the Master Developer and/or third parties with private uses, as well as marketing and managing the sale of such parcels to third parties; and (iii) marketing and managing the sale of certain parcels owned and/or to be acquired by the Agency in the Downtown to third parties for redevelopment with private uses.

[Additionally, the Master Developer is obligated, at the option of the City, to finance the cost of design, permitting and construction of all or a portion of the Civic Facilities consisting of the City Hall, the Parking Garage and/or the Community Facility, in which case the City will lease the land on which such Civic Facilities will be located to the Master Developer and the Master Developer will sublease such Civic Facilities to the City in return for annual lease payments. Alternatively, the City may elect to directly finance the cost of the design, permitting and construction of all or a portion of such Civic Facilities.]

As contemplated by the Master Development Agreement, the City has elected to finance the Series 20[] Civic Facility itself as part of the Series 20[] Project. [Describe plan for financing additional Civic Facilities if applicable—i.e. through the Master Developer so no additional Certificates are anticipated or through the issuance of additional Certificates, timing, cost, etc. and appropriate cross references.]

[The Master Developer][An affiliate of the Master Developer] (the “Series 20[] Developer”) is serving as the Developer of the Series 20[] Civic Facility [and certain other components of the Series 20[] Project] as described below.

Series 20[] Project Components

Overview

[The Parking Garage [comprising][included in] the Series 20[] Civic Facility is planned to contain approximately [] square feet, with a total of approximately [] public parking spaces on [] floors (composed of the [ground floor plus [] elevated decks]) and appurtenant and ancillary Equipment, including ticketing equipment, access barriers and cashier’s booths. The Parking Garage will be operated as part of the City’s public parking system by the independent parking garage operator engaged by the City from time to time to operate and manage its parking facilities. [A portion of the Parking Garage may be developed as retail space and the ground floor may provide valet parking spaces for nearby businesses and restaurants].

[The City Hall [comprising][included in] the Series 20[] Civic Facility is planned to serve as the new primary location of the City’s municipal government and will replace the existing, aging City Hall located in the Downtown. The new City Hall is planned to contain approximately [] square feet in [] floors. It will include a new City Commission Chambers, offices for various City municipal departments, administrative offices for City staff, meeting rooms and [describe other uses].

[The Community Facility [comprising][included in] the Series 20[] Civic Facility, [replaces][consists of renovations to] the existing E. Pat Larkins Community Center located in the Downtown. It planned to contain approximately [] square feet in [] floors. It will include [a large auditorium with dressing rooms, and banquet and meeting space.] [add language about vocational training and college resource facilities if applicable].

[The Vocational Training and College Resource Center [comprising][included in] the Series 20[] Civic Facility located in the Downtown will consisting of a new facility with classroom space to provide vocational training primarily to high school students and young adults, offices and related uses, and space to provide college resource support services to high school students] [Add additional description]

[The Series 20[] Project will also include the Series 20[] Roadways to provide access to the Series 20[] Civic Facility. Water service utility lines will be laid in the Series 20[] Roadways to provide fire connections and wastewater utility lines will be extended throughout the Series 20[] Roadways that connect to the City’s water and wastewater system. A master storm drainage system will be installed in the Series 20[] Roadways to maintain water quality and comply with South Florida Water Management District regulations. The Series

20[] Roadways included in the Series 20[] Project will contain an additional [] on-street parking spaces that will be operated as part of the City's parking system. Landscaping, signage, and traffic signals will also be installed in the Series 20[] Roadways.]

Series 20[] Excluded Components

The Series 20[] Roadways and the Designated Equipment included in the Series 20[] Project (collectively, the "Series 20[] Excluded Components") are Excluded Components with respect to the Series 20[] Project for all purposes of the Series 20[] Lease and the Series 20[] Trust Agreement. **ACCORDINGLY, THE SERIES 20[] EXCLUDED COMPONENTS ARE NOT SUBJECT TO SURRENDER OR THE EXERCISE OF REMEDIES BY THE TRUSTEE UPON AN EVENT OF NON-APPROPRIATION OR AN EVENT OF DEFAULT UNDER THE SERIES 20[] LEASE.** [Add any other excluded components and applicable Use Arrangements] See "SUMMARY OF MASTER LEASE-PURCHASE PLAN," "SELECTED INVESTMENT CONSIDERATIONS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

Design, Construction and Related Matters

The City has approved a contract with the Series 20[] Developer for the design and construction of the Series 20[] Civic Facility and [most of] the balance of the Series 20[] Project with a guaranteed maximum price ("GMP") of \$[]. [The costs of the Series 20[] Project not subject to the GMP include certain costs of the Series 20[] Roadways, signalization and signage, contingencies and development fees payable to the Series 20[] Developer.][Add others]

The total construction cost of the Series 20[] Project is estimated to be \$[], of which \$[] relates to the Series 20[] Civic Facility. To the extent the City has incurred costs relating to the Series 20[] Project prior to the date of issuance of the Series 20[] Certificates, such amounts will be reimbursed to the City from proceeds of the Series 20[] Certificates. It is anticipated that such reimbursement will be in the approximate amount of \$[].

Construction of the Series 20[] Project is expected to commence in [], 20[] and to be substantially complete by [], 20[]. [] has been engaged by the City to design the Series 20[] Civic Facility. An artist's rendering of the Series 20[] Civic Facility [and the Series 20[] Roadways] included in the Series 20[] Project is set forth below:

[INSERT RENDERING]

DESCRIPTION OF THE SERIES 20[] CERTIFICATES

Authorized Denominations; Interest Payment Dates

The Series 20[] Certificates are issuable only in fully registered form in denominations of \$5,000 or each or any whole multiple thereof (the “Authorized Denominations”) and will be dated their date of delivery and will mature on the dates, and in the amounts, set forth on the inside cover page of this Offering Statement. The Interest Component of the Basic Rent Payments represented by the Series 20[] Certificates is payable on each January 1 and July 1, commencing [] 1, 20[] (each, an “Interest Payment Date”) at the interest rates (calculated on the basis of a 360-day year consisting of twelve 30-day months) set forth on the inside cover page of this Offering Statement.

Transfer, Exchange and Registration

The Series 20[] Certificates, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. See “DESCRIPTION OF THE SERIES 20[] CERTIFICATES—Book-Entry-Only System” herein. In the event the book-entry only system should be discontinued, the Series 20[] Certificates may be transferred and exchanged on the registration books of the Trustee, acting as Certificate Registrar only upon presentation and surrender thereof to the Certificate Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. The City and the Certificate Registrar shall not be required to transfer or exchange any Series 20[] Certificate: (1) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of prepayment of Series 20[] Certificates and ending at the close of business on the day of such mailing, (2) for Series 20[] Certificates called for prepayment, or (3) during a period beginning at the opening of business on the Record Date next preceding a date set for payment of interest and ending on such date set for payment of interest.

Book-Entry Only System

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC’S BOOK-ENTRY-ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CORPORATION AND THE CITY BELIEVE TO BE RELIABLE, BUT NEITHER THE CORPORATION, THE CITY NOR THE UNDERWRITER TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 20[] Certificates. The Series 20[] Certificates will be issued as fully-registered certificates registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 20[] Certificate will be issued for each maturity of the Series 20[] Certificates, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency”

registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's Participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

So long as the book-entry-only system is in effect, beneficial interests in the Series 20[] Certificates will be available in book-entry form only in Authorized Denominations. Purchasers of beneficial interests in the Series 20[] Certificates will not receive certificates representing their beneficial interests in the Series 20[] Certificates purchased.

Purchases of Series 20[] Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 20[] Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 20[] Certificate (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 20[] Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Series 20[] Certificates except in the event that use of the book-entry system for the Series 20[] Certificates is discontinued.

To facilitate subsequent transfers, all Series 20[] Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 20[] Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 20[] Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 20[] Certificates are

credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 20[] Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 20[] Certificates, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 20[] Certificates may wish to ascertain that the nominee holding the Series 20[] Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all of the Series 20[] Certificates within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 20[] Certificates unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument (MMI) Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 20[] Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Prepayment proceeds and payment of the principal and interest components of the Basic Rent Payments represented by the Series 20[] Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee on a payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC (nor its nominee), the City, the Corporation or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of prepayment proceeds and Basic Rent Payments represented by the Series 20[] Certificates to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 20[] Certificates at any time by giving reasonable notice to the City and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 20[] Certificates, as applicable, are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 20[] Certificates will be printed and delivered.

In either of the situations described in the preceding two paragraphs, definitive replacement certificates shall be issued only upon surrender to the City and the Trustee of the Series 20[] Certificates of each maturity by DTC, accompanied by registration instructions for the definitive replacement certificates for such maturity from DTC. The City shall not be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instruction of DTC.

NONE OF THE CITY, THE CORPORATION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE BENEFICIAL OWNERS, DTC PARTICIPANTS OR THE PERSONS FOR WHOM DTC PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 20[] CERTIFICATES FOR THE ACCURACY OF THE RECORDS OF DTC, CEDE & CO. OR ANY DTC PARTICIPANT WITH RESPECT TO THE SERIES 20[] CERTIFICATES OR THE PROVIDING OF NOTICE OR PAYMENT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AND INTEREST REPRESENTED BY THE SERIES 20[] CERTIFICATES TO DTC PARTICIPANTS OR BENEFICIAL OWNERS, OR THE SELECTION OF SERIES 20[] CERTIFICATES FOR PREPAYMENT.

None of the City, the Corporation or the Trustee can give any assurances that DTC, DTC Participants or others will distribute payments of principal or interest components represented by the Series 20[] Certificates paid to DTC or its nominee, or any prepayment or other notices, to the Beneficial Owners or that DTC will do so on a timely basis or that DTC will serve or act in a manner described in this Offering Statement.

For every transfer and exchange of beneficial interests in the Series 20[] Certificates the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation thereto.

Prepayment

Optional Prepayment

The Series 20[] Certificates maturing on or before January 1, 20__ shall not be subject to prepayment at the option of the City. Any of the Series 20[] Certificates maturing after January 1, 20[] may be prepaid, from optional prepayments of Basic Rent Payments made by the City pursuant to the Series 20[] Lease, in whole or in part on January 1, 20[] or any date thereafter, and in such order of maturities as may be designated by the City, or if not so designated, in the inverse order of maturities, and by lot within a maturity in such manner as may be designated by the Trustee, without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of Basic Rent Payments to be prepaid, together with accrued interest to the prepayment date. The moneys necessary to fund such optional prepayment shall be deposited with the Trustee not less than thirty-five (35) days prior to the prepayment date.

Extraordinary Mandatory Prepayment

The Series 20[] Certificates are subject to Extraordinary Prepayment, in whole, on any date, or in part, on any Extraordinary Prepayment Date (if in part, in any order of maturity as directed by the City or, in the absence of such direction, in inverse order of maturity and by lot within maturities), without Prepayment Premium, at a Prepayment Price equal to 100% of the Principal Component of Basic Rent Payments to be prepaid, together with accrued interest to the Extraordinary Prepayment Date, from the Net Proceeds of insurance or condemnation or other amounts deposited with the Trustee pursuant to Section 5.08(c) of the Master Lease. The Extraordinary Prepayment Date shall be the next succeeding Interest Payment Date following the receipt by the Trustee of the moneys to be used for such prepayment; provided, however, if such Interest Payment Date occurs within forty (40) days of receipt by the Trustee of the moneys to be used for such prepayment, the Extraordinary Prepayment Date shall be the second succeeding Interest Payment Date.

The Master Lease provides that if the City, in accordance with the terms of the Master Lease, elects not to repair, restore or replace the Series 20[] Project or any portion of the Series 20[] Project which has been destroyed, damaged, lost or condemned with the Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election, an amount equal to the Stipulated Loss Value of the Series 20[] Project, or portion thereof, which is not repaired, restored or replaced shall be applied to the Extraordinary Prepayment of the Series 20[] Certificates by depositing such amount to the credit of the Series 20[] Account of the Prepayment Fund. If the Net Proceeds are less than the Stipulated Loss Value of the Series 20[] Project, or portion thereof, as the case may be, the deficiency shall constitute Supplemental Rent and shall be immediately due and payable by the City, but only from Available Revenues. See "SECURITY FOR THE SERIES 20[] CERTIFICATES—Master Lease—Damage, Destruction, Condemnation of a Project; Prepayment Upon Certain Events."

The Stipulated Loss Value attributable to a loss of all of the Series 20[] Project shall be computed as the amount necessary to pay the Principal Component of and Interest Component on the Series 20[] Certificates on the next succeeding Extraordinary Prepayment Date. In the event that less than all of the Series 20[] Project then subject to the Series 20[] Lease suffers such a loss, damage or destruction, the Stipulated Loss Value shall be the product of (i) the result computed by the foregoing sentence multiplied by (ii) a fraction, the numerator of which is the original Cost of the portion of the Series 20[] Project suffering such loss, damage or destruction and the denominator of which is the aggregate Project Cost for the entire Series 20[] Project then subject to the Series 20[] Lease, including those items suffering such loss, damage or destruction. In each case, the Stipulated Loss Value shall also include any Supplemental Rent, or portion thereof, as the case may be, then due under the Series 20[] Lease.

Upon payment by the City of the Stipulated Loss Value, such Stipulated Loss Value shall be deposited to the credit of the Series 20[] Account of the Prepayment Fund for the sole benefit of the Owners of the Series 20[] Certificates. In the event of payment of the Stipulated Loss Value of a portion of the Series 20[] Project and the Series 20[] Certificates relating thereto, the schedule of Basic Rent Payments in the Lease Schedule for the Series 20[] Project shall be adjusted downward by the Trustee to reflect the reduction in the

Principal Component and Interest Component and the remaining Basic Rent resulting from such Extraordinary Prepayment. Such adjustment shall be done in such manner as to match remaining aggregate payments of Basic Rent with principal of and interest coming due on the Series 20[] Certificates that remain Outstanding, the proceeds of which were used to finance or refinance the acquisition and construction of such portion of the Series 20[] Project as shall remain.

It should be noted that if Completion Certificates and/or partial Refunding Certificates are Outstanding at the time the Series 20[] Certificates are subject to Extraordinary Mandatory Prepayment, amounts available to accomplish such Extraordinary Mandatory Prepayment may be required to be applied ratably to accomplish the Extraordinary Mandatory Prepayment of all Outstanding Certificates.

Mandatory Prepayment

The Series 20[] Term Certificates maturing on January 1, 20[] shall be subject to mandatory prepayment, without Prepayment Premium, commencing on January 1, 20[] from Amortization Installments in the amounts and in the years set forth below (the Trustee shall select such Series 20[] Certificates by lot in such manner as it deems appropriate):

Payment Date
(January 1)

Amortization Installment
\$

*

*Final Maturity

The Series 20[] Term Certificates maturing on January 1, 20[] shall be subject to mandatory prepayment, without Prepayment Premium, commencing on January 1, 20[] from Amortization Installments in the amounts and in the years set forth below (the Trustee shall select such Series 20[] Certificates by lot in such manner as it deems appropriate):

Payment Date
(January 1)

Amortization Installment
\$

*

*Final Maturity

Provisions Regarding Selection and Partial Prepayment

When Series 20[] Certificates are to be selected for prepayment by lot, selection of the Series 20[] Certificates for prepayment shall be in such manner as the Trustee shall determine; provided, however, that the portion of any Series 20[] Certificate to be prepaid

shall be in the principal amount of \$5,000 or any whole multiple thereof, and that in selecting portions of Series 20[] Certificates for prepayment, the Trustee shall treat each such Series 20[] Certificate as representing that number of Series 20[] Certificates which is obtained by dividing the principal amount with respect to such Series 20[] Certificate by \$5,000.

Notwithstanding, so long as the Series 20[] Certificates are in book-entry-only form held by DTC, the Trustee shall select such Series 20[] Certificates within such selected maturities on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures; provided that so long as such Series 20[] Certificates are held in book-entry-only form, the selection for redemption of such Series 20[] Certificates shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis, such Series 20[] Certificates shall be selected for redemption within each such maturity in such manner as the Trustee shall determine and in accordance with DTC procedures. In any event, the portion of the Series 20[] Certificates to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple in excess thereof.

With regard to the foregoing, it is the intent that redemption allocations made by DTC, its Participants or such other intermediaries that may exist between the City and/or the Trustee and the Beneficial Owners be made pro rata. However, the City and the Trustee can provide no assurance that DTC, its Participants or any other intermediaries will allocate redemptions of Series 20[] Certificates on a pro rata basis.

In the event that the obligations of DTC under the Letter of Representations are terminated because the City shall determine that it is in the best interests of the beneficial owners of the Series 20[] Certificates that the Series 20[] Certificates no longer be held in book-entry only form and that they obtain certificated Series 20[] Certificates, the City shall notify DTC of the availability through DTC of Series 20[] Certificate certificates and the City shall request from DTC that the Series 20[] Certificates shall no longer be restricted to being registered on the registration books in the name of Cede & Co., as nominee of DTC. If DTC grants a withdrawal request, the City may determine that the Series 20[] Certificates shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the City, or such depository’s agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 20[] Certificates may be registered in whatever name or names Registered Owners of Series 20[] Certificates transferring or changing Series 20[] Certificates designate, in accordance with the provisions of the Master Trust Agreement.

Notice of Prepayment

When prepayment of Series 20[] Certificates is authorized or required pursuant to the Series 20[] Trust Agreement, the Trustee shall give notice of prepayment to the Owners thereof, at the expense of the City. Such notice shall state: (i) the CUSIP numbers of all Series 20[] Certificates being prepaid, (ii) the original issue date of such Series 20[] Certificates, (iii) the maturity date, series and rate of interest borne by each Series 20[] Certificate being prepaid, (iv) the prepayment date, (v) the Prepayment Price, (vi) the date on which such notice is mailed, (vii) if less than all Outstanding Series 20[] Certificates are to be prepaid, the certificate number (and, in the case of a partial prepayment of any Series 20[] Certificate, the

principal amount) of each Series 20[] Certificate to be prepaid, (viii) that on such prepayment date there shall become due and payable upon each Series 20[] Certificate to be prepaid the Prepayment Price thereof, or the Prepayment Price of the specified portions of the principal thereof in the case of Series 20[] Certificates to be prepaid in part only, together with interest accrued thereon to the prepayment date, and that from and after such date interest thereon shall cease to accrue and be payable, (ix) that the Series 20[] Certificates to be prepaid, whether as a whole or in part, are to be surrendered for payment of the Prepayment Price at the designated corporate trust office of the Trustee at an address specified, and (x) the name and telephone number of a person designated by the Trustee to be responsible for such prepayment. Notice of such prepayment shall be given by first class mail, postage prepaid, not more than sixty (60) days or fewer than thirty (30) days prior to said date of prepayment, to the Owners of any Series 20[] Certificates to be prepaid. Any defect in such notice as mailed shall not affect the validity of the proceedings for the prepayment of the Series 20[] Certificates for which proper notice has been given.

If at the time of mailing of notice of an optional prepayment, the City shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Certificates called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

In addition to such mailing of the notice, further notice of redemption shall be given by the Trustee to certain registered securities depositories and information services as set forth in the Trust Agreement, but failure to provide such further notice shall not in any manner defeat the effectiveness of a call for prepayment if notice thereof is given as described in the paragraph above. See the [form of] Master Trust Agreement included herein as APPENDIX B for further details regarding notice of prepayment.

Notwithstanding any other provision of the Master Trust Agreement to the contrary, so long as any Series 20[] Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 20[] Certificate and all notices with respect to such Series 20[] Certificate shall be made and given, respectively, in the manner provided in the Letter of Representations. Accordingly, as long as a book-entry-only system is used for determining beneficial ownership of Series 20[] Certificates, notice of redemption will be sent only to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners. Any failure of DTC to notify any DTC Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 20[] Certificates.

Acceleration

The Trust Agreement permits the Principal Component of the Series 20[] Certificates to be accelerated upon the occurrence of an Event of Default thereunder. See the [form of] Master Trust Agreement included herein as APPENDIX B.

ESTIMATED SOURCES AND USES OF FUNDS

The following table presents the estimated sources and uses of funds in connection with the issuance of the Series 20[] Certificates:

Sources of Funds:

Principal Amount of Series 20[] Certificates	\$.00
Less: Original Issue Discount	
Less: Original Issue Premium	
Total Sources of Funds	<u>\$.00</u>

Uses of Funds:

Deposit to Series 20[] Project Account ⁽¹⁾	\$.00
[Deposit to Series 20[] Capitalized Interest Account]	
Costs of Issuance ⁽²⁾	<u>.00</u>
Total Uses of Funds	<u>\$.00</u>

⁽¹⁾ Includes Series 20[] Project costs incurred prior to the date of issuance of the Series 20[] Certificates to be reimbursed to the City.

⁽²⁾ Includes Underwriter's discount, fees of Special Counsel and Disclosure Counsel, Municipal Advisor, ratings, printing and other related costs of issuance.

CERTIFICATE PAYMENT REQUIREMENTS

Payment requirements on the Series 20[___] Certificates, and the corresponding dates such payments are due, are as follows: [To be modified to include all lease payments if there are multiple leases]

<u>Payment Date</u>	Principal/Amortization <u>Installment</u>	<u>Interest</u>	<u>Total⁽¹⁾</u>
	\$	\$	\$

\$	\$	\$
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⁽¹⁾ Totals may not foot due to rounding.

SECURITY FOR THE SERIES 20[] CERTIFICATES

General

The Basic Rent Payments and, consequently the Certificate Payments, and all other amounts required to be paid by the City pursuant to the Lease Agreement (including the Series 20[] Lease Schedule [and the Lease Schedule[s] relating to the Prior Lease[s]]) will be payable solely from Available Revenues appropriated annually by the City as part of its annual budgeting process. See “SECURITY FOR THE SERIES 20[] CERTIFICATES—Master Lease—Non-Appropriation and Remedies” herein. There shall be credited against such obligation moneys, if any, on deposit with the Trustee in certain Pledged Funds pledged under the Master Trust Agreement.

Available Revenues are defined in the Master Trust Agreement to mean the moneys and revenues of the City legally available under the Act to make the Lease Payments. The Available Revenues are **not** pledged to payment of the Series 20[] Certificates.

The City has pledged certain of its non-ad valorem revenues to existing bonded indebtedness of the City and has entered into subject to annual appropriation leases [in addition to the Prior Lease[s]]. See “APPENDIX D—Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 20[]” for a description of such indebtedness and subject to annual appropriation leases. The City’s non-ad valorem revenues are also used to pay certain of the City’s operating and capital outlay costs. The City may issue additional indebtedness secured by a pledge of its non-ad valorem revenues without the consent of the Owners of the Series 20[] Certificates.

See “SELECTED FINANCIAL MATTERS RELATING TO THE CITY—Certain Matters Relating to Annual Budget Process and General Fund Budget” and “SELECTED INVESTMENT CONSIDERATIONS—Legislative Initiatives and Economic Conditions” herein.

The Master Lease provides that the City shall not budget and appropriate Available Revenues for a portion of the Projects leased pursuant to the Master Lease and that it must budget and appropriate Lease Payments for all of the Projects described on all Lease Schedules entered into pursuant to the Master Lease or none of them. See “Master Lease” below.

THE PAYMENTS DUE FROM THE CITY UNDER THE MASTER LEASE, THE SERIES 20[] LEASE SCHEDULE AND ANY LEASE SCHEDULE TO THE MASTER LEASE IN ADDITION TO THE SERIES 20[] LEASE SCHEDULE ARE TO BE MADE ONLY FROM AVAILABLE REVENUES APPROPRIATED BY THE CITY FOR SUCH PURPOSE. NONE OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE TO THE CORPORATION OR THE TRUSTEE UNDER THE MASTER LEASE, THE SERIES 20[] LEASE SCHEDULE OR ANY OTHER LEASE SCHEDULE FROM SOURCES OTHER THAN APPROPRIATED REVENUES. NONE OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF HAS PLEDGED ITS FAITH AND CREDIT FOR PAYMENT OF SUMS DUE UNDER

THE MASTER LEASE, THE SERIES 20[] LEASE AND ANY OTHER LEASE SCHEDULE. THE OBLIGATIONS ARISING UNDER THE MASTER LEASE, THE SERIES 20[] LEASE AND ANY OTHER LEASE SCHEDULE DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. See “SELECTED INVESTMENT CONSIDERATIONS” herein.

Remedies available to the Trustee upon an Event of Non-Appropriation or an Event of Default under the Master Lease and the Master Trust Agreement, respectively, are set forth in the [forms of the] Master Lease and the Master Trust Agreement included herein as APPENDIX B and summarized below under “Master Lease” and “Master Trust Agreement.”

IF THE TRUSTEE EXERCISES REMEDIES WITH RESPECT TO THE PROJECTS UPON AN EVENT OF NON-APPROPRIATION OR UPON CERTAIN EVENTS OF DEFAULT UNDER THE MASTER LEASE, ONLY AMOUNTS, IF ANY, REALIZED FROM THE DISPOSITION OF THE PORTION OF THE SERIES 20[] PROJECT SUBJECT TO SURRENDER (WHICH EXCLUDES THE SERIES 20[] EXCLUDED COMPONENTS) WILL BE AVAILABLE TO MAKE LEASE PAYMENTS AND OTHER PAYMENTS DUE UNDER THE SERIES 20[] LEASE AND THE SERIES 20[] TRUST AGREEMENT WITH RESPECT TO THE SERIES 20[] CERTIFICATES.

There can be no assurance that the exercise of remedies with respect to the Series 20[] Project upon an Event of Non-Appropriation or upon certain Events of Default under the Master Lease will produce sufficient amounts to pay the Series 20[] Certificates. **The Series 20[] Excluded Components are not subject to surrender or to the exercise of remedies and the City may not be dispossessed of the Series 20[] Excluded Facilities.** See “THE SERIES 20[] PROJECT—Series 20[] Project Components” and “Series 20[] Ground Lease—Remedies,” “Master Lease—‘Non-Appropriation and Remedies’ and ‘Events of Default and Remedies’,” and “Master Trust Agreement,” including ‘Events of Default’ and ‘Enforcement of Remedies’,” below.

Basic Rent Payments and Deposits with the Trustee

The City agrees in the Master Lease to pay the Basic Rent set forth in the Lease Schedule and/or Hedge Agreement relating to each Project as lease rent for such Project on or prior to the Basic Rent Payment Dates, as such Lease Schedule may be modified or amended from time to time following any prepayment of Basic Rent for the lease of such Project.

Basic Rent Payments consist of a Principal Component and an Interest Component which shall be stated in each Lease Schedule; provided that Hedge Obligations shall always constitute an Interest Component. The portion of Basic Rent attributable to the Interest Component shall not exceed the maximum rate permitted by Section 215.84, Florida Statutes or any successor statute thereto. Each Project may be divided into Groups of leased property as described in the Lease Schedule relating thereto. The Principal Component and Interest Component attributed to each Group, if any, of leased property shall be provided in the Lease Schedule relating thereto.

The City agrees in the Master Lease that it shall make all Basic Rent Payments coming due on each Basic Rent Payment Date on or prior to each such Basic Rent Payment Date in accordance with the applicable Lease Schedule and/or Hedge Agreement, subject to the provisions of Sections 4.06 (relating to optional prepayment and defeasance) and 7.01 (relating to an Event of Non-Appropriation) of the Master Lease. The Master Lease provides that the City shall not budget and appropriate Available Revenues for a portion of the Projects leased pursuant to the Master Lease and that it must budget and appropriate Lease Payments for all of the Projects described on all Lease Schedules entered into pursuant to the Master Lease or none of them.

Pursuant to the Master Lease, all Basic Rent Payments shall be paid in arrears. The City is required to pay the Basic Rent due under the Master Lease to the Trustee at its Principal Office and the Trustee is required to apply the same as provided in the Master Trust Agreement, as supplemented by one or more Supplemental Trust Agreements. The City shall specify which subaccount of the Interest Account and Principal Account the Basic Rent Payments shall be deposited in; provided that all Hedge Receipts shall be deposited in a subaccount of the Interest Account. To the extent that moneys have been deposited and are available with the Trustee from the proceeds of a Series of Certificates for the purpose of paying Basic Rent relating to a Project pursuant to Article VI of the Master Trust Agreement, the amount to be appropriated shall not be reduced but the City shall not be required to transfer funds to the Trustee for payments of such Basic Rent, and the City shall receive a credit against its obligation to pay such Basic Rent for such amounts on deposit with the Trustee. Should any Basic Rent be paid later than the Basic Rent Payment Date to which such Basic Rent pertains, such Basic Rent shall bear interest at the Overdue Rate from such Basic Rent Payment Date to and inclusive of the date of actual payment.

In the event of a prepayment, in part, of Basic Rent Payments for a Project or Group within a Project, such Basic Rent Payments provided in the Lease Schedule relating thereto shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component of the remaining Basic Rent resulting from such prepayment. Such adjustment shall be done in such manner as to match remaining payments of Basic Rent provided in such Lease Schedule with the Principal Component and Interest Component coming due on Certificates which remain Outstanding related thereto.

See “DESCRIPTION OF THE SERIES 20[] CERTIFICATES—Prepayment.”

Capitalized Interest

Pursuant to the Series 20[] Trust Agreement, the Trustee is directed to establish the Series 20[] Capitalized Interest Account in the Project Fund. Funds in the Series 20[] Capitalized Interest Account shall be transferred to the Series 20[] Interest Account in the Lease Payment Fund on each Interest Payment Date in an amount necessary to pay the interest accruing on the Series 20[] Certificates on each Interest Payment Date through on or about [] 1, 20[]. Such transfer shall be made on each Payment Date for the Series 20[] Certificates until the Series 20[] Capitalized Interest Account is closed.

[No Reserve Account for Series 20[] Certificates]; Certain Matters Relating to Reserve Account

[The Reserve Account does not secure the Series 20[] Certificates.] [The Reserve Account does not secure the previously issued Prior Certificates.] If any additional Series of Certificates (including Completion Certificates or Refunding Certificates) hereafter issued is intended to be secured by the Reserve Account, as evidenced by the Supplemental Trust Agreement relating to such series of Certificates, the applicable Supplement Trust Agreement will set forth the applicable Reserve Account Requirement for such Series of Certificates and provisions relating to the application of funds in the Reserve Account. Any such deposit to the Reserve Account will not secure or be available for the benefit of the Series 20[] Certificates [or the Prior Certificates.]

Assignment of Lease Agreement and Series 20[] Assignment of Ground Lease Agreement

Pursuant to the Assignment of Lease Agreement, the Corporation will absolutely and irrevocably assign to the Trustee, for the benefit of the Owners of the Series 20[] Certificates, all of its right, title and interest in the Lease Agreement, including, without limitation, the right to receive Lease Payments, any Prepayments thereof and any other amounts required to be paid by the City under the Lease Agreement, but excluding certain retained indemnification rights and the rights to enter into certain amendments to the Lease Schedules and its obligations under Section 6.03 of the Master Lease. In addition, pursuant to the Series 20[] Assignment of Ground Lease Agreement, the Corporation has assigned to the Trustee its right, title and interest in the Series 20[] Ground Lease relating to the Series 20[] Land.

SUMMARY OF MASTER LEASE-PURCHASE PLAN

General

This section only summarizes the master lease-purchase plan with respect to the Projects and the Certificates, including the Series 20[] Project and the Series 20[] Certificates. Reference is made to “APPENDIX B—Forms of Series 20[] Ground Lease, Series 20[] Lease and Series 20[] Trust Agreement,” which should be read in its entirety, for a definitive description of the master lease-purchase plan. See also “SELECTED INVESTMENT CONSIDERATIONS” and “SUITABILITY FOR INVESTMENT.”

Series 20[] Ground Lease

The following does not attempt to completely summarize the provisions of the Series 20[] Ground Lease. For the complete text of the form of the Series 20[] Ground Lease, see “APPENDIX B—Forms of Series 20[] Ground Lease, Series 20[] Lease and Series 20[] Trust Agreement.”

General

The form of the Series 20[] Ground Lease is included herein as APPENDIX B and reference is made thereto for a complete description of the terms and conditions thereof.

The City owns the Series 20[] Land on which the Series 20[] Project will be located. Pursuant to the Series 20[] Ground Lease, the City will lease the Series 20[] Land to the Corporation, subject to Permitted Encumbrances (as defined in the Series 20[] Ground Lease) [which includes the Use Arrangements].

Ground Lease Term

The initial lease term of the Series 20[] Ground Lease commences on the date thereof (the “Commencement Date”) and shall end on January 1, 20[] (the “Initial Ground Lease Term”). If there shall have occurred an Event of Default or an Event of Non-Appropriation under the Series 20[] Lease and the Series 20[] Certificates remains Outstanding at the end of the Initial Ground Lease Term, then the term of the Series 20[] Ground Lease shall be automatically renewed for an additional term of ten (10) years through January 1, 20[], at a fair market rental to be determined, adjusted and paid in the manner set forth in Section 3 of the Series 20[] Ground Lease. The period during which the Series 20[] Ground Lease is maintained in effect in accordance therewith is referred to as the “Ground Lease Term.” Neither an Event of Default nor an Event of Non-Appropriation under the Series 20[] Lease shall operate to terminate the Series 20[] Ground Lease.

Notwithstanding the foregoing, the Ground Lease Term may be terminated by the City on any date prior to the end of the Initial Ground Lease Term or any renewal thereof, upon not less than ten (10) days prior written notice to the Corporation (a) upon prepayment of the Series 20[] Certificates pursuant to Section 4.06 of the Master Lease and full performance and satisfaction of the City’s obligations under the Series 20[] Lease and no Series 20[] Certificates are outstanding, or (b) upon the provision for payment of all Lease Payments required with respect to the Series 20[] Project under the Series 20[] Lease pursuant to Section 4.06 of the Master Lease and the Series 20[] Certificates are not Outstanding, together in each case with payment of the sum of One Dollar (\$1.00) or (c) upon such other date, following an Event of Default or Event of Non-Appropriation, that the Trustee has, through application of sums received from the use of the Land as permitted in Section 5 of the Series 20[] Ground Lease, fully paid the Series 20[] Certificates then Outstanding and all other amounts due and owing under the Series 20[] Lease.

Modifications to Series 20[] Ground Lease

The Series 20[] Ground Lease shall be modified at the request of the City at any time, without the consent of the Trustee or the Owners of the Series 20[] Certificates, if any, upon similar notice and modification of the Series 20[] Lease (i) to reflect the addition to and modification of the Land, including to more accurately reflect the legal descriptions thereof attached hereto, (ii) to reflect the substitution of all or a portion of the Series 20[] Project in accordance with the Series 20[] Lease Agreement, (iii) upon extraordinary mandatory prepayment of a portion of the Series 20[] Certificates pursuant to Section 5.08 of the Master Lease, to reflect the release of any portion of the Land from the Series 20[] Ground Lease, or (iv) to reflect the issuance of Completion Certificates or Refunding Certificates pursuant to the Master Trust Agreement on a parity with the Series 20[] Certificates, in which case references in the Series 20[] Ground Lease to the Series 20[] Certificates shall include such Completion Certificates or Refunding Certificates.

Ground Rent

So long as no Event of Default or Event of Non-Appropriation shall have occurred under the Series 20[] Lease, the Corporation shall pay to the City as rental for the Series 20[] Land the sum of One Dollar (\$1.00) per annum, which sum shall be due in advance on the Commencement Date (pro rated) and annually thereafter on the first day of each renewal Lease Term (the "Ground Rent"). [On the date of issuance of the Series 20[] Certificates the Corporation will prepay the Ground Rent payable under the Series 20[] Ground Lease for the entire Initial Ground Lease Term thereof.

From and after the date of occurrence of an Event of Default or Event of Non-Appropriation under the Series 20[] Lease, the Trustee shall pay as and for rental for the Series 20[] Land an amount equal to the fair market rental for the Series 20[] Land. The fair market rental shall be deemed to be the greater of one dollar (\$1.00) per annum or the difference between (i) the amounts actually received from any re-letting of the Series 20[] Project, other than Series 20[] Excluded Components, [and the related Use Arrangements] as permitted or required by the Series 20[] Ground Lease, by the Series 20[] Lease and by the Assignment of Lease Agreement, for a given period and (ii) the amounts due and payable as Basic Rent Payments and Supplemental Rent for the Maximum Lease Term relating to the Series 20[] Lease not theretofore paid by or for the account of the City.

The fair market rental due in any year shall be due in arrears on October 1 and shall be payable for a year only to the extent the amounts actually received by the Trustee from any re-letting of the Series 20[] Project, other than the Series 20[] Excluded Components, [and the related Use Arrangements] as permitted or required by the Series 20[] Ground Lease, by the Series 20[] Lease and by the Assignment of Lease Agreement during the preceding twelve months prior to such October 1 exceeded the Principal Component and the Interest Component of the Basic Rent Payments and the Supplemental Rent that would have been payable under the Series 20[] Lease for such preceding twelve months and other amounts described in Section 8.04 of the Master Trust Agreement; provided, however, that any portion of such fair market rental not paid in any year due to the provisions of this clause (ii) shall remain due and payable and shall accumulate from year to year and shall be paid in any future year to the extent that amounts actually received in any such year from re-letting of the Series 20[] Project, other than the Series 20[] Excluded Components, [and the related Use Arrangements] as permitted or as required by the Series 20[] Ground Lease, by the Series 20[] Lease and by the Assignment of Lease Agreement exceed the Principal Component and the Interest Component of the Basic Rent Payments and Supplemental Rent that would have been payable under the Series 20[] Lease and other amounts described in Section 8.04 of the Master Trust Agreement and the fair market rental due in such years. The determination by the City's independent municipal advisor as to the fair market rental due in any year, calculated as provided herein, shall be binding on the City, the Corporation and the Trustee.

The failure to pay any portion of the fair market rental in any year due to insufficiencies of monies realized from the exercise of the remedies permitted under the Series 20[] Lease shall not give rise to any obligation to pay interest on such unpaid fair market rental and shall not constitute a default under the Series 20[] Ground Lease by the Corporation or the Trustee.

Leasehold Estate

Commencing with the Commencement Date and throughout the Ground Lease Term, fee title to the Series 20[] Land and all Equipment included in the Series 20[] Project shall be in the name of the City, subject to Permitted Encumbrances, [including Use Arrangements] and title to the Series 20[] Project constructed on the Series 20[] Land shall be with the Corporation and remain therein until the earlier of (i) the date on which the Series 20[] Certificates are no longer Outstanding under the Series 20[] Trust Agreement, and (ii) the end of the Ground Lease Term. The Corporation shall at all times during the Ground Lease Term have a valid and enforceable leasehold estate in the Series 20[] Land with full right to vest the use, enjoyment and possession of such leasehold interest in the Trustee and the Trustee shall have the right to vest such estate as it relates to the Series 20[] Land, other than as it relates to the Series 20[] Excluded Components (the “Series 20[] Excluded Land”), and the Series 20[] Project, other than the Series 20[] Excluded Components, in a Permitted Transferee (hereinafter defined).

Possession and use of the Series 20[] Land, together with all improvements thereon, shall, upon the last day of the Ground Lease Term automatically revert to the City free and clear of liens and encumbrances other than Permitted Encumbrances without necessity of any act by the Corporation or any Permitted Transferee. Upon such termination of the Ground Lease Term, the Corporation shall peaceably and quietly surrender to the City the Series 20[] Land together with any improvements located in or upon the Series 20[] Land. Upon such surrender of the Series 20[] Land, the Corporation, at the reasonable request of the City, shall execute an instrument in recordable form evidencing such surrender and shall deliver to the City all books, records, construction plans, surveys, permits and other documents relating to, and necessary or convenient for, the operation of the Series 20[] Land in the possession of the Corporation.

Remedies

[In the event that there shall have occurred an Event of Default or Event of Non-Appropriation under the Series 20[] Lease, then the Corporation’s interest in the Series 20[] Land, other than the Series 20[] Excluded Land, and the related Series 20[] Project components (which excludes the Series 20[] Excluded Components) may, without consent of the City, be re-let by the Trustee, [subject to the then-current Use Arrangements], to any third party (a “Permitted Transferee”); provided, however, the fee title to such Series 20[] Land shall not be encumbered by, or subject to, any leasehold mortgage of the Corporation’s interest herein, and any re-letting shall not relieve the Corporation of any of its duties or obligations under the Series 20[] Ground Lease without the City’s prior written consent.

Unless the Ground Lease Term shall have terminated, if the Trustee proposes to re-let any portion of the Corporation’s interest in the Series 20[] Land and Series 20[] Project (other than the Series 20[] Excluded Land and the Series 20[] Excluded Components) as permitted by the Series 20[] Ground Lease, the Series 20[] Lease and the Assignment of Lease Agreement, the Trustee shall provide written notice to the City containing the names and addresses of the Permitted Transferee; provided, however, that failure to provide such notice shall not affect the validity or effectiveness of the re-letting to a Permitted Transferee.

Master Lease

The following does not attempt to completely summarize the provisions of the Master Lease. For the complete text of the form of the Master Lease, see “APPENDIX B—Forms of Series 20[_____] Ground Lease, Series 20[_____] Lease and Series 20[_____] Trust Agreement.”

Lease of Projects

In consideration of payment by the City to the Corporation, or its assignee, of the Lease Payments and for other valuable consideration, pursuant to the Master Lease, the Corporation leases from time to time each Project to the City upon the terms and conditions contained in the Master Lease, as modified by the Lease Schedule relating to such Project. The City may modify each Project or may substitute or dispose components or portions of a Project as provided in the Master Lease.

Lease Term

Effective as of the Commencement Date described in the Lease Schedule relating to each Project, the Corporation agrees to rent and lease to the City and the City agrees to rent and lease from the Corporation each such Project for the Initial Lease Term. The Initial Lease Term of each Project shall commence on the Commencement Date relating thereto and terminate on the Initial Lease Termination Date relating thereto. Unless the Master Lease is terminated pursuant to Sections 4.06 (relating to optional prepayment and defeasance), 7.01 (relating to an Event of Non-Appropriation) or 7.03 hereof (relating to Events of Default), the Master Lease will automatically be renewed on the Initial Lease Termination Date for each Project and each succeeding Renewal Term Termination Date relating thereto for the next succeeding Renewal Lease Term until all Lease Payments in regard to all the Projects shall be made and the Certificates are no longer Outstanding. Each Renewal Lease Term shall be for a period of one (1) year. The number of Renewal Lease Terms plus the Initial Lease Term for a Project shall not exceed the Maximum Lease Term described in the Lease Schedule for such Project.

Lease Payments

The Master Lease provides that for the right to use and possession of each of the Projects, the City shall, subject to the provisions of Sections 4.06 (relating to optional prepayment and defeasance) and 7.01 (relating to an Event of Non-Appropriation) of the Master Lease, pay to the Trustee, as assignee of the Corporation, the Basic Rent and the Supplemental Rent as hereinafter described and as more fully described in the Master Lease.

As noted earlier, the Master Lease provides that the City shall not budget and appropriate Available Revenues for a portion of the Projects leased pursuant to the Master Lease and that it must budget and appropriate Lease Payments for all of the Projects described on all Lease Schedules entered into pursuant to the Master Lease or none of them.

Each annual aggregate payment of Basic Rent due under the Master Lease shall be for the right to possess the Projects for each Fiscal Year in which moneys have been appropriated by the City to pay the Basic Rent coming due in such Fiscal Year (subject to the limitations on surrender of the Excluded Components as set forth herein), provided that the Basic Rent for the

period for which a portion of the proceeds of a Series of the Certificates have been deposited with the Trustee shall be paid from such proceeds, it being hereby acknowledged that said moneys constitute special funds held by the Trustee pursuant to the Master Lease and the Master Trust Agreement to be applied for such purpose.

Commencing with the first Basic Rent Payment Date for the initial Series of Certificates and on each Basic Rent Payment Date thereafter during which any Projects are leased under the Master Lease, there shall be applied as a credit (provided there are no delinquent Basic Rent Payments) against the aggregate amount of Basic Rent payable on such date for the corresponding Lease Schedule an amount which shall be stated in a report of the Trustee given to the City pursuant to Section 6.11 of the Master Trust Agreement, which amount shall be equal to the sum of (i) the amount of interest and other income deposited in each subaccount of the Interest Account pursuant to Sections 6.05 and 6.10 of the Master Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Master Trust Agreement, (ii) the amount of moneys, if any, transferred to subaccounts of the Interest Account and Principal Account or Prepayment Fund pursuant to Section 6.03(f) and Section 6.03(g) of the Master Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Master Trust Agreement, (iii) the amount of moneys, if any, transferred to each subaccount of the Interest Account pursuant to Section 6.07(f) of the Master Trust Agreement since the date of the previous report made by the Trustee pursuant to Section 6.11 of the Master Trust Agreement, plus (iv) the amount, if any, on deposit in each subaccount of the Principal Account and Interest Account on the date of the report made by the Trustee pursuant to Section 6.11 of the Master Trust Agreement which is not derived from the sources described in clauses (i), (ii) and (iii) above.

In the event that the total amount of credit exceeds the Basic Rent due on the Basic Rent Payment Date for the corresponding Lease Schedule, the amount of said excess shall be applied as a credit against subsequent Basic Rent Payments for such Lease Schedule. In addition, the Basic Rent may be reduced if the City chooses to prepay any or all of the Basic Rent as permitted by the Master Lease.

Whenever moneys in the Lease Payment Fund, including all subaccounts of the Reserve Account, shall be sufficient to pay the principal of, Amortization Installments, and interest coming due on the Certificates, moneys in the Reserve Account shall be deposited in the corresponding subaccount of the Interest Account and the Principal Account as required to pay the Certificates of such Series, and no further Basic Rent Payments shall be required under the Master Lease. Should any Basic Rent be paid later than the Basic Rent Payment Date to which such Basic Rent pertains, such Basic Rent shall bear interest at the Overdue Rate from such Basic Rent Payment Date to and inclusive of the date of actual payment.

In addition to the Basic Rent, the Master Lease provides for the City to pay and discharge from time to time as provided therein, as Supplemental Rent, all other amounts, liabilities and obligations which the City assumes or agrees to pay to the Corporation, the Trustee, any Credit Enhancers, Termination Fees due any Counterparties, or the issuer of any Reserve Account Letter of Credit/Insurance Policy pursuant to the terms and provisions of any agreements between the City and such parties, or to others with respect to the Master Lease, the Master Trust Agreement, any Hedge Agreement or the Projects, together with interest on any overdue amount,

at the Overdue Rate to the date of actual payment or as otherwise provided in a Supplemental Trust Agreement.

Supplemental Rent shall include, but not be limited to, any Prepayment Premium attributable to the Certificates, all payments required by the Master Trust Agreement and the Master Lease to be payable for Extraordinary Prepayment not covered by insurance or condemnation proceeds pursuant to Section 5.08(b), (c) and (d) of the Master Lease, payment of taxes, assessments or other governmental charges pursuant to Section 5.09 of the Master Lease, payments required pursuant to Section 6.04 of the Master Lease, payments to any rebate analyst and payments required pursuant to Section 6.12 of the Master Trust Agreement, the fees, costs and expenses (including reasonable counsel fees and expenses) incurred by the Trustee pursuant to the Master Trust Agreement or under the Master Lease, all fees and expenses of the Corporation relating to the lease of the Projects or to its corporate existence, and all ongoing expenses relating to the financing of the Projects, including Credit Facility fees and remarketing fees. Supplemental Rent may also include other items specified in the Master Lease. The Supplemental Rent shall be paid to the Trustee for application in accordance with the terms of the Master Lease and of the Master Trust Agreement and shall be payable solely from Available Revenues budgeted and appropriated for that purpose by the City; provided, however, the City may pay the portion of the Supplemental Rent representing the annual fee of the Corporation as set forth in the Lease Schedule directly to the Corporation, instead of making such payment to the Trustee, on or before January 1 of each year during the Lease Term.

Non-Appropriation and Remedies

The City does not expect its need for the Projects [leased or] to be leased under the Lease Agreement to diminish during the Maximum Lease Term of all Leases. However, the Certificate Payments and the payments due from the City under the Lease Agreement do not constitute a general obligation or a pledge of the faith and credit of the Corporation, the City, the State of Florida, or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation. The City is not obligated to appropriate funds for Lease Payments. If appropriated, Lease Payments will be a current obligation of the City.

The City is not legally required to appropriate moneys for the purpose of making Lease Payments. Subject to the right of non-appropriation, the City has agreed in the Master Lease to cause the City Manager of the City to provide for the Lease Payments in each annual tentative Budget which shall be submitted to the City Commission of the City in accordance with the Act. The Master Lease further provides that, except as otherwise provided in Section 7.01 of the Master Lease (relating to an Event of Non-Appropriation), the City agrees to take such action as may be necessary to include all Lease Payments due under the Master Lease (other than Lease Payments to the extent paid from Certificate proceeds then on deposit in the applicable account of the Lease Payment Fund) as a separately stated line item in its Budget and to appropriate in each Fiscal Year from Available Revenues an amount necessary to make the Lease Payments due in such Fiscal Year.

The Master Lease provides that it shall initially terminate at the end of the Initial Lease Term relating to a Project, but shall automatically be renewed for all Renewal Lease Terms relating thereto; provided, that such automatic renewal shall not occur and the Master Lease shall terminate as of the end of the current Initial Lease Term or Renewal Lease Term if the City does

not approve a tentative Budget and a final Budget in accordance with State law which appropriates sufficient funds from Available Revenues for such purpose to continue making Lease Payments in full for the next succeeding Renewal Lease Term for all Projects leased under the Master Lease beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments had been budgeted and appropriated (an “Event of Non-Appropriation”); provided, further, that in the event the City’s tentative or final Budget for such ensuing Renewal Lease Term is not enacted prior to the expiration of the then current Initial Lease Term or Renewal Lease Term relating to a Project, the Lease Term relating thereto shall be deemed renewed pending the enactment of such tentative Budget and final Budget and the City shall be liable for any Lease Payments coming due during such period but only if the tentative Budget and final Budget makes available to the City moneys which may legally be used to make the Lease Payments coming due during such period.

Upon the occurrence of an Event of Non-Appropriation, the City will not be obligated to pay Lease Payments beyond the then current Fiscal Year but will not be relieved of any obligations arising or accruing prior to such Event of Non-Appropriation including, without limitation, any obligation to deposit rebatable arbitrage in the Rebate Fund which may accrue prior to such Event of Non-Appropriation, provided that such payment shall be payable solely from Available Revenues. The City must deliver written notice of the Event of Non-Appropriation to the Corporation, each Credit Enhancer, if any, and the Trustee within at least three Business Days thereof.

If an Event of Non-Appropriation shall occur, and upon the occurrence of certain Events of Default as more fully described below, the City is required to peaceably return to the Corporation, or the Trustee as its assignee, possession of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project). Each such surrendered Project or portion thereof shall remain subject to the related Permitted Encumbrances, including Use Arrangements, unless otherwise provided with respect to a particular Project in the related Lease Schedule. Such obligation shall survive the termination of the Master Lease.

Under no circumstances shall the failure of the City to appropriate sufficient moneys to pay Lease Payments constitute a Default or Event of Default under the Master Lease or require payment of a penalty, or in any way limit the right of the City to purchase or utilize, buildings, facilities or equipment similar in function to the property leased under the Master Lease.

The Series 20[] Excluded Components are not subject to surrender upon an Event of Non-Appropriation. See “SERIES 20[] PROJECT—Series 20[] Project Components.”

Optional Prepayment

The Master Lease provides that the City shall have the option, so long as no Event of Default thereunder has occurred and is continuing, from any moneys then available for such purpose, on any Optional Prepayment Date for the Series of Certificates relating to a Project, to prepay all or a portion of the Basic Rent relating to such Project or Group within such Project upon not less than thirty-five (35) days (or such shorter or longer time period provided in the related Lease Schedule or related Supplemental Trust Agreement) written notice given prior to

such Optional Prepayment Date to the Trustee to be subsequently accompanied by the deposit of the amount of such prepaid Basic Rent with the Trustee on or prior to the applicable Optional Prepayment Date. Optional prepayments may be allocated to a particular Project, or any Group of leased property within a Project.

Except as otherwise provided in a Lease Schedule relating to a Series of Certificates, each prepayment shall be in an amount equal to a principal amount of Certificates (in denominations of \$5,000 or any whole multiple thereof in the case of Current Interest Certificates and in denominations of \$5,000 maturity value and any whole multiples thereof in the case of Capital Appreciation Certificates or such other authorized denominations permitted under the Supplemental Trust Agreement related to the Certificates to be prepaid) to be prepaid on such Optional Prepayment Date, plus the Prepayment Premium, if any, applicable to a prepayment of Certificates on the Optional Prepayment Date designated by the City in such notice of prepayment, all as provided in the Master Trust Agreement, as supplemented in connection with a Series of Certificates. Interest on Certificates to be prepaid pursuant to an optional prepayment under this Section accrued to the Optional Prepayment Date set forth in the notice of prepayment above shall be paid by the Trustee from moneys on deposit in the account of the Prepayment Fund and the subaccount of the Interest Account which are pledged to the payment of such Certificates and from Available Revenues provided by the City, or in connection with the issuance of Refunding Certificates, as provided in Section 12.01 of the Master Trust Agreement, from moneys and/or Refunding Securities. Notwithstanding any other provision in the Master Lease, except as otherwise expressly required by a Lease Schedule, the City shall not be required to deposit funds with the Trustee prior to giving notice of an optional prepayment.

As noted earlier, the Master Lease provides that in the event of a prepayment, in part, of Basic Rent Payments for a Project or Group within a Project, such Basic Rent Payments provided in the Lease Schedule relating thereto shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component of the remaining Basic Rent resulting from such prepayment. Such adjustment shall be done in such manner as to match remaining payments of Basic Rent provided in such Lease Schedule with the Principal Component and Interest Component coming due on Certificates which remain Outstanding related thereto.

See “DESCRIPTION OF SERIES 20[] CERTIFICATES—Prepayment - Optional Prepayment” herein.

Defeasance

So long as no Event of Default has occurred and is continuing under the Master Lease, the City may secure the payment of Basic Rent for a Project or Group within a Project by a deposit with the Trustee, as provided in Section 12.01 of the Master Trust Agreement, of either (i) an amount of moneys which is sufficient to pay such Basic Rent, including the Principal Component, Interest Component and Prepayment Premium, if any, on the Basic Rent Payment Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due, or (ii) Refunding Securities, together with cash, if required, in such amount as will, together with interest to accrue thereon, be fully sufficient to pay such Basic Rent including the Principal Component, Interest Component and Prepayment Premium, if any, on their Basic Rent Payment

Dates or Optional Prepayment Dates, if applicable, and any Supplemental Rent which may be due. Upon the City meeting such requirement, the Corporation and its assignee shall be entitled to payment of such Basic Rent Payments solely from such cash and/or Refunding Securities.

In the event Refunding Certificates are issued which refund only a portion of a Series of Outstanding Certificates, the schedule of Basic Rent Payments affected by such Refunding Certificates will remain the same but a credit will be given to the City by the Trustee to take into account that payment of a portion of the Principal Component and the Interest Component has been provided for by such refunding or defeasance of such portion of the Series of Certificates from the issuance of said Refunding Certificates.

With respect to any Series of Refunding Certificates, all or a portion of the proceeds of the Refunding Certificates shall be deposited in an escrow account (which may be a related account in the Lease Prepayment Fund) to provide for the defeasance of the refunded Certificates pursuant to the provisions of the Master Trust Agreement and the Supplemental Trust Agreement pursuant to which the refunded Certificates were issued. Commencing on the execution and delivery of such Refunding Certificates, the City hereby agrees to pay Refunding Rent on the dates and in the amounts set forth in a subsequent Schedule to the Lease Schedule designated therein as "Refunding Rent," provided, however, that by depositing into the escrow account cash and/or Refunding Securities sufficient to pay, when due, all such Refunding Rent, the City shall be deemed to have paid in full such Refunding Rent and further payments of such Refunding Rent shall in no event thereafter be due and owing under the Master Lease by the City. Pursuant to the terms of an Escrow Deposit Agreement establishing the escrow account or other direction to the Trustee by an Authorized Officer of the City, the escrow agent or Trustee, as applicable, shall be irrevocably directed by the City to use and apply the cash and maturing principal, interest and investment earnings of the Refunding Securities on deposit in the escrow account to the payment, when due, to the Trustee for the benefit of the principal of, interest on, and prepayment premium, if any, with respect to the refunded Certificates as the same come due. Such payments from the escrow account for payment to the Owners of the refunded Certificates shall be deemed to constitute payments by the City to such holders of Refunding Rent pursuant to the Master Lease. The obligation to pay Refunding Rent in the manner aforesaid from the escrow account shall, any provision of the Master Lease to the contrary notwithstanding, survive the termination of the Master Lease. Refunding Rent shall be deemed, for all purposes of the refunded Certificates and the Master Trust Agreement, as supplemented, as Basic Rent payable under the Master Lease.

In the event of a deposit with the Trustee of moneys and/or Refunding Securities for the purpose of paying or providing for payment of Certificates in accordance with Article XII of the Master Trust Agreement, all covenants, agreements and other obligations of the City under the Master Lease, with respect to such Certificates shall be deemed performed except (i) those provisions hereof which by their express terms survive any such payment and defeasance and (ii) the obligation of the City to make or cause to be made, Basic Rent Payments and Supplemental Rent payments on or for such Certificates from the moneys and/or Refunding Securities deposited pursuant to said Article XII of the Master Trust Agreement. In the event the City prepays Basic Rent for a Group within a Project pursuant to Sections 4.06(a) or 4.06(c) of the Master Lease, such Prepayment shall be allocated, to the extent practicable, to maturities of Certificates relating to such Group.

See “DESCRIPTION OF THE SERIES 20[] CERTIFICATES--Prepayment.”

Damage, Destruction, Condemnation of a Project; Prepayment Upon Certain Events

Except as provided in Section 5.08(c) of the Master Lease, the City shall cause the Net Proceeds relating to a Project of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election received pursuant to Sections 5.05 and 5.07 of the Master Lease and of any title insurance award equal to or in excess of the amount required to repair, restore or replace such Project (the “Replacement Amount”) to be applied first to the prompt repair, restoration or replacement of such destroyed, damaged, lost or condemned Project (which repair, restoration or replacement property shall become part of the applicable Project). Except as otherwise provided herein, any such Net Proceeds shall be deposited with the Trustee in the subaccount of the Project Account relating to such Project (which subaccount may be created for this purpose) and shall be disbursed by the Trustee in accordance with the Master Trust Agreement, as supplemented by the related Supplemental Trust Agreement; provided, however, that any amounts remaining after completion of such repair, restoration or replacement shall be applied in accordance with Section 6.03(g) of the Master Trust Agreement.

If such Net Proceeds are insufficient to pay for such repair, restoration or replacement, the City shall (from the City’s Available Revenues) simultaneously deposit the amount of such deficiency with the Trustee, which deficiency shall constitute Supplemental Rent. Any Net Proceeds of insurance or condemnation award or of any appropriation made in connection with self-insurance election that is equal to or less than the Replacement Amount for the applicable Project may, at the option of the City, be applied in accordance with Section 6.03(g) of the Master Trust Agreement.

The City may elect not to repair, restore or replace a Project or any portion of a Project which has been destroyed, damaged, lost or condemned, with the Net Proceeds of any insurance or condemnation award or of any appropriation made in connection with a self-insurance election, by filing a certificate with the Trustee stating that (i) it has made such election, (ii) it is not in the best interests of the City to repair, restore or replace such Project, or such portion thereof, and (iii) the City intends to abandon and cease to operate such Project, or portion thereof, damaged, destroyed, lost or condemned; provided, further, there shall be an Extraordinary Prepayment in accordance with Article V of the Master Trust Agreement in the amount of the Stipulated Loss Value (as hereinafter described) of such Project, or portion thereof, which is not repaired, restored or replaced, and, if the Net Proceeds are insufficient therefor, the deficiency shall constitute Supplemental Rent and shall be immediately due and payable from the City’s Available Revenues.

The Stipulated Loss Value attributable to a loss of all of a Project shall be computed as the amount necessary to pay the Principal Component of and Interest Component on the Certificates on the next succeeding Extraordinary Prepayment Date. In the event that less than all of a Project then subject to the Master Lease suffers such a loss, damage or destruction, the Stipulated Loss Value shall be the product of (i) the result computed by the foregoing sentence multiplied by (ii) a fraction, the numerator of which is the original cost of the portion of such Project suffering such loss, damage or destruction and the denominator of which is the aggregate Project Costs for the entirety of such Project then subject to the Master Lease, including those items suffering such loss, damage or destruction. In each case, the Stipulated Loss Value shall

also include any Supplemental Rent or a portion thereof, as the case may be, then due under the Master Lease. Upon payment of such Stipulated Loss Value by the City, such Stipulated Loss Value shall be deposited to the credit of the applicable account of the Prepayment Fund established for the sole benefit of the Owners of the related Series of Certificates that financed and/or refinanced such Project. In the event of payment of the Stipulated Loss Value of a portion of a Project and the Series of Certificates relating thereto, the schedule of Basic Rent Payments in the Lease Schedule for such Project shall be adjusted downward by the Trustee to reflect the reduction in the Principal Component and Interest Component and the remaining Basic Rent resulting from such Extraordinary Prepayment. Such adjustment shall be done in such manner as to match remaining aggregate payments of Basic Rent with principal of and interest coming due on the related Series of Certificates that remain Outstanding, the proceeds of which were used to finance and/or refinance the acquisition and construction of such portion of such Project as shall remain.

See “DESCRIPTION OF THE SERIES 20[] CERTIFICATES—Prepayment—Extraordinary Mandatory Prepayment” herein.

Events of Default and Remedies

The following shall be “Events of Default” under the Master Lease and the terms “Events of Default” and “Default” shall mean, whenever they are used in the Master Lease any one or more of the following events:

(a) Failure by the City to pay any Basic Rent Payment required to be paid under the Master Lease on the Basic Rent Payment Date to which such Basic Rent Payment pertains, other than as a result of an Event of Non-Appropriation; or

(b) Failure by the City to pay any Supplemental Rent required to be paid under the Master Lease at the time specified herein and the continuation of said failure to the next occurring Basic Rent Payment Date, other than as a result of an Event of Non-Appropriation; or

(c) The City fails to return possession to the Corporation or its assignee of all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), subsequent to an Event of Non-Appropriation as required by Section 7.01 of the Master Lease; or

(d) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.02(a) of the Master Lease, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the City and each Credit Enhancer by the Corporation, or its assignee, unless the Corporation, or its assignee, or each Credit Enhancer have agreed in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, or its assignee, or the Credit Enhancers will not unreasonably

withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(e) Any representation of the City under the Master Lease or in a Lease Schedule shall prove to have been false in any materially adverse respect at the time same was made, subject to the right of the City to cure such misrepresentation in the manner set forth in Section 7.02(d) of the Master Lease; or

(f) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the City in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, (or similar official) of the City or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) days; or

(g) The City shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the City or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of any of the foregoing.

Upon the happening of an Event of Default under the Master Lease, the Corporation, or its assignee, may exercise any and all remedies available pursuant to law or granted pursuant to the Master Lease, including, without limitation:

(i) Except in the case of an Event of Default under (c) above, without terminating the Master Lease, to re-enter and take possession of all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), subject to Permitted Encumbrances (except as otherwise provided in the related Lease Schedule), and exclude the City from using the same until the Default is cured; or

(ii) Except in the case of an Event of Default under (c) above, without terminating the Master Lease, to re-enter and take possession of all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), subject to Permitted Encumbrances (except as otherwise provided in the related Lease Schedule), as applicable, and attempt to re-let such Project or portion thereof subject to surrender, holding the City liable for the difference between (i) the rent and other amounts paid by the lessee or sublessee pursuant to such lease or sublease and, if provided in the related Lease Schedule, other revenues arising

from one or more related Use Arrangements, and (ii) the Lease Payments and other amounts currently payable by the City under and pursuant to the Master Lease; provided, however, that any re-letting shall not adversely affect the exclusion of the Interest Component on the Basic Rent Payments with respect to Certificates other than Taxable Certificates from gross income for purposes of federal income taxation or otherwise adversely affect the entitlement or availability of tax credits or the availability or receipt of the Federal subsidy or credit in the case of Direct Subsidy Certificates; or

Except in the case of an Event of Default under (c) above, to take whatever action at law or in equity that may appear necessary or desirable to collect the Lease Payments then due and thereafter to become due during the term of the Master Lease, or enforce performance and observance of any obligation, agreement or covenant of the City under the Master Lease; or

To terminate the Master Lease, if it has not been previously terminated pursuant to Section 7.01 thereof, and require the City to surrender and transfer possession to the Corporation or its assignee of all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), subject to Permitted Encumbrances (except as otherwise provided in the related Lease Schedule), in which event the City shall take all actions necessary to authorize, execute and deliver to the Corporation or its assignee all documents necessary to vest in the Corporation or its assignee all of the City's interest in and to such Project or portion thereof subject to surrender and to discharge any lien created by or pursuant to the Master Lease in order that the Corporation or its assignee may re-lease the Project or portion thereof subject to surrender, in accordance with applicable law, subject to the Permitted Encumbrances (except as otherwise provided in the related Lease Schedule); or

To terminate the Master Lease, if it has not been previously terminated pursuant to Section 7.01 of the Master Lease (relating to an Event of Non-Appropriation), and, without notice or demand, enter into and upon the property of the City, or any part thereof, and repossess and retake all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), subject to Permitted Encumbrances (except as otherwise provided in the related Lease Schedule), and thereby restore the Corporation or its assignee, or its assignee, to its former possessory estate as owner and expel the City and remove its effects forcefully, if necessary, without being taken or deemed to be guilty of any manner of trespass in order that the Corporation or its assignee may re-lease the all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), subject to Permitted Encumbrances (except as otherwise provided in the related Lease Schedule), and thereupon the Master Lease shall terminate and upon such termination the City shall have no further possessory right whatsoever in the all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project),

subject to Permitted Encumbrances (except as otherwise provided in the related Lease Schedule); and the City shall be responsible for the payment of damages in an amount equal to the Lease Payments which would have accrued under the Master Lease, calculated on a daily basis, for any period during which the City fails to surrender all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), or for any other loss suffered by the Corporation or its assignee as a result of the City's failure to surrender all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), all without prejudice to any remedy which might otherwise be available to the Corporation or its assignee for arrears of Lease Payments or for any breach of the City's covenants contained in the Master Lease, payable only from Available Revenues appropriated therefor.

The Series 20[] Excluded Components are not subject to surrender upon an Event of Default under the Series 20[] Lease. See "THE SERIES 20[] PROJECT—Series 20[] Project Components."

Proceeds of Re-Letting

Moneys received by the Corporation, or its assignee, from the re-letting of all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project) as a result of an Event of Non-Appropriation or an Event of Default under the Master Lease shall be the absolute property of the Corporation, or its assignee, and the City shall have no right thereto. In the event that moneys received by the Corporation, or its assignee, from the re-letting of all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), including moneys or damages received pursuant to (v) above under "Events of Default and Remedies," and if provided in the related Lease Schedule, from other revenues arising from one or more related Use Arrangements, exceed the amount necessary to pay the Principal Component and Interest Component of Basic Rent Payments due on the Series of Certificates which financed and/or refinanced the acquisition and construction of such Project or portion thereof to the date of payment thereof, together with all other amounts owing in regard thereto, including Trustee fees and expenses (including, without limitation, the reasonable fees, costs and expenses of Trustee's counsel), amounts owing in regard to any Ground Lease relating thereto and any outstanding fees, expenses and other amounts due the Credit Enhancers, the Corporation, or its assignee, shall pay such surplus to the City.

Neither notice to pay rent or to deliver up possession of all or any portion of each Project or portion thereof that is subject to surrender (which excludes any Excluded Components included in or comprising all of a Project) given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation, or its assignee, shall of itself operate to terminate the Master Lease, and no termination of the Master Lease on account of an Event of Default by the City shall be or become effective by operation of law, or otherwise, unless and until the Corporation, or its assignee, shall have given written notice to the City of the election on the part of the Corporation, or its assignee, to terminate the Master Lease as a result of such Event of Default.

Lease Schedules

Each Lease Schedule to the Master Lease will be in substantially the form set forth as an exhibit to the Master Lease. [Add information about Prior Leases.]

The form of the Series 20[] Lease Schedule is set forth in APPENDIX B hereto.

Master Trust Agreement

The following does not attempt to completely summarize the provisions of the Master Trust Agreement. For the complete text of the form of the Master Trust Agreement, see “APPENDIX B—Forms of Series 20[] Ground Lease, Series 20[] Lease and Series 20[] Trust Agreement.”

Trust Estate

The Master Trust Agreement provides that the Trust Estate, which shall be held for the benefit of the Owners of the Certificates from time to time Outstanding under the Master Trust Agreement, consists of the following:

- (a) All right, title and interest in the funds, accounts and subaccounts established under the Master Trust Agreement and the cash, securities and investments of which they are comprised (other than the Rebate Fund);
- (b) All right, title and interest of the Corporation in, to and under the Ground Lease(s) and the Lease Agreement and the right to receive the Lease Payments under the Lease Agreement but excluding any rights of the Corporation to indemnification set forth therein, its right to enter into Lease Schedules from time to time and its obligations provided in Section 6.03 of the Lease Agreement;
- (c) All right, title and interest of the Trustee under the Assignment of Lease Agreement and Assignment(s) of Ground Lease Agreement;
- (d) Any moneys received by the Trustee which are derived from the exercise by the Trustee, as assignee of the Corporation, of any of the remedies under the Master Trust Agreement, the Lease Agreement, and the Ground Lease(s); and
- (e) All property which by the express provisions of the Master Trust Agreement, the Lease Agreement or the Ground Lease(s) is required to be subject to the lien hereof, and any additional property that may from time to time hereafter expressly be made subject to the lien hereof by the Trustee, the Corporation or the City or anyone authorized to act on their behalf.

The Master Trust Agreement further provides that, in each case, any portion of the Trust Estate which is derived from the re-letting of a Project or portion thereof subject to surrender as contemplated hereby and the Lease Agreement (other than any Excluded Components included in or comprising all of a Project, which are not subject to surrender), moneys and damages received in relation to such Project, and any cash, securities and investments in any Pledged

Accounts relating thereto shall be utilized solely for the benefit of the Owner(s) of Certificates which financed or refinanced such Project and for whose benefit such Pledged Accounts were established.

Selected Matters Relating to Certificates

The number of Series of Certificates which may be created under the Master Trust Agreement is not limited. The aggregate principal amount of Certificates of a Series which may be issued, authenticated and delivered under the Master Trust Agreement is not limited except as set forth in the related Request and Authorization and the related Supplemental Trust Agreement and as restricted by the provisions of the Master Trust Agreement and the Act. The issuance of a Series of Certificates is subject to compliance with the applicable requirements of the Master Trust Agreement, including delivery of certain certificates of officials and opinions of legal counsel.

Each Series of Certificates (other than Completion Certificates and Refunding Certificates) shall be issued for the purposes of (a) financing and/or refinancing the Project Costs of a Project, (b) funding a subaccount, if any, established in the Reserve Account in an amount equal to the Reserve Requirement applicable thereto, if required by the Lease Schedule relating to the applicable Project, (c) capitalizing interest on such Series of Certificates, if deemed appropriate, and provided for in the Lease Schedule relating to the applicable Project, and/or (d) paying the Costs of Issuance applicable thereto.

[Add information about Prior Certificates, if any.]

Completion Certificates may be issued as provided in Section 4.12 of the Master Trust Agreement to provide necessary funds to complete payment of the Costs of a Project previously financed or to finance additional property which shall be added to a Project or which shall be substituted for a portion of a Project. Except for the purposes of Section 6.03 of the Master Lease, such Completion Certificates, for purposes of the Master Trust Agreement, the Lease relating to the applicable Project and any applicable Ground Lease shall constitute a part of the same Series of Certificates as the Certificates issued to pay the original Project Costs of the applicable Project and shall be secured on parity with such Series of Certificates which financed the original Project in accordance with the terms of the Master Trust Agreement.

Refunding Certificates may be issued as provided in Section 4.13 of the Master Trust Agreement at any time or times, for the purposes of (i) providing funds for refunding part or all of the Certificates (and prepaying the Basic Rent Payments related thereto) at or prior to their maturity or maturities, including the payment of any Prepayment Premium thereon and interest which will accrue on such Certificates to their date of payment, (ii) making a deposit, if required by the related Supplemental Trust Agreement, to the subaccount of the Reserve Account which shall secure such Refunding Certificates, and (iii) paying the Costs of Issuance relating to said Refunding Certificates. In the event Refunding Certificates are issued to accomplish the partial refunding of an Outstanding Series of Certificates (and prepaying a portion of the Basic Rent Payments related thereto) such partial Refunding Certificates shall be secured on parity with the related Series of Certificates which financed the Project being refinanced and which remain Outstanding after the issuance of the Refunding Certificate, all in accordance with the terms of the Master Trust Agreement.

See the [form of] Master Trust Agreement included in APPENDIX B hereto for additional information regarding the issuance of Certificates.

Unless otherwise set forth in the Supplemental Trust Agreement authorizing the issuance of more than one Series of Certificates, each Certificate within a Series of Certificates executed and delivered pursuant to the Master Trust Agreement and each Hedge Obligation with respect to a Series of Certificates shall rank *pari passu* and be equally and ratably secured under the Master Trust Agreement with each other Certificate of such Series and each Hedge Obligation related thereto, but not with any Certificate of any other Series (or any Hedge Obligation related to such other Series), issued pursuant to the Master Trust Agreement and Outstanding other than Completion Certificates relating to such Series or partial Refunding Certificates relating to such Series, without preference, priority or distinction of any such Certificate or Hedge Obligation over any other such Certificate or Hedge Obligation, except that to the extent that Basic Rent Payments appropriated by the City and available for payment to all Certificate Owners, and each Hedge Obligation related thereto are less than all amounts owed with respect to all Series of Certificates and all Hedge Obligations on any Payment Date, such amounts available shall be applied on a pro-rata basis to Certificate Owners of all Series in accordance with the ratio that the principal balance of each Series of Certificates Outstanding bears to the total amount of Certificates Outstanding under the Master Trust Agreement.

Termination Fees shall be secured by the Trust Estate on a basis subordinated to the security provided for each Series of Certificates and Hedge Obligations and payable only if and to the extent Supplemental Rent for such amounts has been received for distribution pursuant to Section 6.06(b) of the Master Trust Agreement after all amounts owed to any Credit Enhancers have been paid.

Except as otherwise expressly provided in the Master Trust Agreement, all amounts payable by the Trustee with respect to a Series of Certificates, Hedge Obligations or to any Credit Enhancer who shall have issued a Credit Facility or Insurance Policy securing such Series pursuant to the Master Trust Agreement shall be paid only from the portion of the Trust Estate derived from Basic Rent Payments made pursuant to the Lease Schedule corresponding to such Series or any related Hedge Agreement and only to the extent that the Trustee shall have actually received sufficient income or proceeds from such portion of the Trust Estate to make such payments. Each Certificate Owner agrees, and each such Credit Enhancer, by its execution and/or delivery of a Credit Facility or Insurance Policy shall be deemed to have agreed, and each Counterparty by its execution and delivery of a Hedge Agreement shall be deemed to have agreed, except as otherwise expressly provided herein, to look solely to the income of and the proceeds from such portion of the Trust Estate to the extent available for distribution to such holder, each such Credit Enhancer and each Counterparty as herein provided and that the Trustee is not personally liable to any Certificate Owner, Counterparty or any such Credit Enhancer for any amounts payable under the Master Trust Agreement or subject to any liability under the Master Trust Agreement except as a result of negligence or willful misconduct by the Trustee.

Funds and Accounts

The Master Trust Agreement provides for the establishment of the following funds and accounts:

(a) “City of Pompano Beach, Florida Master Lease Project Fund.” The Trustee shall maintain three separate accounts in the Project Fund: the “Project Account,” the “Costs of Issuance Account” and the “Capitalized Interest Account.”

(b) “City of Pompano Beach, Florida Master Lease Payment Fund”. The Trustee shall maintain three separate accounts in the Lease Payment Fund: the “Principal Account,” the “Interest Account” and the “Reserve Account.”

(c) “City of Pompano Beach, Florida Master Lease Prepayment Fund.”

(d) “City of Pompano Beach, Florida Master Lease Rebate Fund.”

(e) Such other funds or accounts as may be established by a Supplemental Trust Agreement with respect to a particular Series of Certificates. See “Series 20[] Supplemental Trust Agreement” below.

Moneys in the aforementioned funds and accounts (other than the Rebate Fund), until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Owners of the Certificates and for the further security of such Owners in accordance with the terms hereof. The Trustee shall keep and hold moneys in the funds, accounts and subaccounts established pursuant to this Section separate and apart from all other funds and moneys held by it.

Except as may otherwise be provided by Supplemental Trust Agreement, the Trustee shall establish, upon the issuance of any Series of Certificates, other than Completion Certificates, (i) a separate subaccount in the Project Account, the Capitalized Interest Account (if the proceeds of such Series shall be used to capitalize interest therefor), the Costs of Issuance Account, the Principal Account, the Interest Account and the Reserve Account (if proceeds of such Series shall be required to be deposited therein), and (ii) a separate account in the Prepayment Fund. Such separate account and subaccounts described above (the “Pledged Accounts”) shall be established for the sole benefit of the Owners of the Series of Certificates for which they shall be established. The Trustee shall also establish, at the written request of an Authorized Officer of the City, a separate account in the Rebate Fund for a Series of Certificates. Each such account and subaccount shall be designated by the Trustee with the Series of the Certificates to which they shall secure.

Investments; Application of Earnings

All moneys held by the Trustee in any of the funds, accounts or subaccounts established pursuant to the Master Trust Agreement shall be deposited or invested only in Permitted Investments as directed in writing by an Authorized Officer of the City. Prior to termination of the Lease Agreement, the City, through an Authorized Officer, shall provide the Trustee written instructions with respect to investment of the moneys held under the Master Trust Agreement in Permitted Investments and the Trustee shall make investments in accordance with said instructions. Permitted Investments of moneys in Pledged Accounts may be modified as they relate to such Pledged Accounts pursuant to the Supplemental Trust Agreement authorizing the establishment of such Pledged Accounts. The Trustee may conclusively rely upon the City’s

written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments.

[All interest and other income received by the Trustee from investment of funds on deposit in any subaccount of the Reserve Account and the Capitalized Interest Account established for the benefit of a Series of Certificates shall, prior to the Closure Date, be deposited in the subaccount of the Project Account, if any, which was funded by such Series of Certificates and, after said Closure Date or if no Project Account was funded with respect thereto be deposited in the subaccount of the Interest Account established for such Series of Certificates and be applied as set forth in Section 6.06 of the Master Trust Agreement; provided, however, that all interest and other income received by the Trustee on investment of a subaccount of the Reserve Account shall be retained in such subaccount in the event that amounts on deposit in such subaccount are less than the Reserve Requirement applicable thereto. To the extent available, transfers to the Interest Account of interest and income from investments shall be made by the Trustee prior to the date the Trustee provides its report pursuant to Section 6.11 of the Master Trust Agreement with respect to each Payment Date, and shall be applied as set forth herein. At the time of deposit of said moneys in the Interest Account, the Trustee shall report the amount of said credit to the City.]

All interest and other income derived from investments of each subaccount of the Project Account and each subaccount of the Interest Account shall be retained in such respective subaccounts. All interest or other income derived from investments of each subaccount of the Costs of Issuance Account established for the benefit of a Series of Certificates shall be deposited in the subaccount of the Project Account which was funded by such Series of Certificates or if no Project Account was established with respect thereto, to the subaccount in the Principal Account relating to such Series of Certificates. All interest and other income derived from investments of each subaccount of the Principal Account and each account of the Prepayment Fund established for a Series of Certificates shall be deposited in the subaccount of the Interest Account established for such Series of Certificates. In the event any other funds or accounts are established pursuant to Section 6.02(a)(v) of the Master Trust Agreement, the requirement for the use of interest and other income derived from the investment of funds in such fund or account shall be provided for in the Supplemental Trust Agreement related thereto.

For the purpose of determining the amount on deposit in any fund, account or subaccount, Permitted Investments in which money in such fund, account or subaccount is invested shall be valued at one hundred per centum (100%) of the principal or face amount thereof; provided, that Permitted Investments in which money in any subaccount in the Reserve Account is invested shall be valued at fair market value and marked to market at least once per year on October 1.

Defeasance, Satisfaction and Discharge

If the principal, Prepayment Premium, if any, and interest due or to become due on the Certificates shall be paid at the times and in the manner stipulated therein, and if all other sums of money due or to become due according to the provisions of the Master Trust Agreement shall be paid or provision for payment shall be made, including any amounts owing to any Credit

Enhancer or the issuer of a Reserve Account Letter of Credit/Insurance Policy, then these presents and the Trust Estate and rights hereby granted shall cease, terminate and be void, whereupon at the written direction of the City the Trustee shall cancel and discharge the lien of the Master Trust Agreement and execute and deliver to the Corporation and the City such instruments in writing as shall be requisite to cancel and discharge the lien hereof and all surplus in, and balances remaining in, all funds and accounts, other than moneys held for the prepayment or payment of Certificates and money held for the United States Treasury in the Rebate Fund, shall be delivered to the City.

Any Certificates shall be deemed to be paid within the meaning of the Master Trust Agreement when payment of the principal of and Prepayment Premium, if any, on such Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon prepayment as provided in the Master Trust Agreement, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment (A) moneys sufficient to make such payment and/or (B) Refunding Securities verified by an independent certified public accountant selected by the City as to principal and interest in such amounts and at such times as will provide sufficient moneys to make such payment, and all necessary and proper fees and expenses of the Trustee pertaining to the Certificates with respect to which such deposit is made.

Except as hereafter provided, neither the Refunding Securities nor any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or Prepayment Price, if applicable, or interest on said Refunding Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Prepayment Price, if applicable, of the Certificates for the payment or prepayment of which they were deposited and the interest accruing thereon to the date of maturity or prepayment; provided, however, (1) new Refunding Securities and moneys may be substituted for the deposited Refunding Securities and moneys if the new Refunding Securities and moneys are sufficient to pay the principal of or Prepayment Price, if applicable, and interest on the refunded Certificates as verified by an independent certified public accounting firm and (2) moneys initially uninvested may be used to purchase Refunding Securities if the Refunding Securities and any remaining moneys are sufficient to pay the principal of or Prepayment Price, if applicable, and interest on the refunded Certificates as verified by an independent certified public accounting firm.

At such time as a Certificate shall be deemed to be paid under the Master Trust Agreement as aforesaid such Certificate shall no longer be deemed to be Outstanding under the Master Trust Agreement and shall no longer be secured by or entitled to the benefits of the Master Trust Agreement, except for the purposes of any such payment from such moneys or Refunding Securities. Notwithstanding the foregoing, the provisions of the Master Trust Agreement relating to the maturity of the Certificates, interest payments and Interest Payment Dates, prepayment provisions, exchange, transfer and registration of Certificates, replacement of mutilated, destroyed, lost or stolen Certificates, the safekeeping and cancellation of Certificates, non-presentment of Certificates, the holding of moneys in trust, and the duties of the Trustee in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the Owners notwithstanding the release and discharge of the lien of the Master Trust Agreement. Prepayments received pursuant to Section 4.06(c) of the Master Lease shall be applied in

accordance with Section 4.06 of the Master Lease and shall be held for the benefit of the Certificates described in the notice given by the City pursuant to such Section.

Events of Default

Each of the following events is declared an Event of Default under the Master Trust Agreement:

(a) Payment of any installment of interest on any Certificate shall not be made by the City when the same shall become due and payable; or

(b) Payment of the principal, Amortization Installment or the Prepayment Premium, if any, of any Certificate shall not be made by the City when the same shall become due and payable, whether at maturity or by proceedings for mandatory prepayment or otherwise; or

(c) Default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Master Trust Agreement or any Supplemental Trust Agreement and such default shall continue for thirty (30) days (or such additional time as may be granted in writing by the Trustee with the consent of the Credit Enhancer) after receipt by the City and the Corporation of a written notice from the Trustee or the Credit Enhancer specifying such default and requiring the same to be remedied; or

(d) Payment of any amounts owing a Credit Enhancer in regard to a reimbursement agreement relating to its Credit Facility shall not be made when the same shall become due and payable; or

(e) An "Event of Default" or "Event of Non-Appropriation" shall have occurred under the Lease Agreement, and, in the case of such "Event of Default," it shall not have been remedied or waived.

In determining whether a default described in (a) or (b) above has occurred, no effect shall be given to payments made by an Insurer under its Insurance Policy.

Acceleration of Maturities

Upon the happening and continuance of any Event of Default specified in the Master Trust Agreement and only subsequent to the termination of the Lease Agreement, the Trustee, in regard to each Series of Certificates, may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of such Series of Certificates then Outstanding, by notice in writing to the Trustee, the City and the Corporation, shall declare the principal of all Certificates of such Series then Outstanding (if not then due and payable) to be due and payable immediately. Upon such declaration, the same shall become and be immediately due and payable, anything contained in the Certificates or in the Master Trust Agreement to the contrary notwithstanding; provided, however, that any Credit Enhancer of any Certificates shall be considered the Owner of the Certificates subject to a Credit Facility or Insurance Policy issued by it (if such Credit Enhancer is not in default under its Credit Facility or Insurance Policy).

If at any time after the principal of a Series of Certificates shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Master Trust Agreement, moneys shall have accumulated in or shall have been paid into the Lease Payment Fund sufficient to pay the principal of all matured Certificates and all arrears of interest, if any, upon all Certificates then Outstanding (except the principal of any Certificate not then due and payable by its terms and the interest accrued on such since the last interest Payment Date), and the charges, compensations, expenses, disbursements, advances and liabilities of the Trustee and all other amounts then payable by the City under the Lease Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and every other default actually known to the Trustee in the observance or performance of any covenant, condition or agreement contained in the Certificates or in the Master Trust Agreement (other than a default in the payment of the principal of such Certificates then due only because of a declaration of acceleration under the Master Trust Agreement) shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Owners of not less than a majority in aggregate principal amount of the Certificates not then due and payable by their terms (Certificates then due and payable only because of a declaration of acceleration under the Master Trust Agreement shall not be deemed to be due and payable by their terms) and then Outstanding shall, by written notice to the City and the Corporation, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default under the Master Trust Agreement or impair any right consequent thereon.

Enforcement of Remedies

Upon the happening and continuance of any Event of Default specified in the Master Trust Agreement, then and in every such case the Trustee may proceed, and shall proceed, upon the written request of (i) if applicable, the Credit Enhancer for such Certificates (if such Credit Enhancer is not in payment default under its Credit Facility or Insurance Policy, as applicable) or (ii) the written consent of the Owners of not less than a majority in aggregate principal amount of the Series of Certificates Outstanding and affected by any remedies to be pursued by the Trustee and, if applicable, the Credit Enhancer for such Certificates (if such Credit Enhancer is not in payment default under its Credit Facility or Insurance Policy, as applicable), subject to the provisions of Sections 9.02 and 8.14 of the Master Trust Agreement, to protect and enforce its rights and the rights of the Owners under the laws of the State, under the Master Trust Agreement, the Lease Agreement or the Ground Lease(s) by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Master Trust Agreement or in aid of execution of any power in the Master Trust Agreement granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel chosen by the Trustee, shall deem most effectual to protect and enforce such rights. The Trustee may also exercise all remedies it or the Corporation may have under law and under the Trust Agreement, the Lease Agreement, and any Ground Lease(s) relating to a Project or any portion thereof subject to surrender (which excludes any Excluded Components included in or comprising all of a Project).

In the enforcement of any remedy under the Master Trust Agreement, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any Event of Default under the Master Trust Agreement becoming and remaining due from the City for principal, interest or otherwise under any of the provisions of the Master Trust Agreement or of the Certificates, together with interest on overdue payments of principal at the Overdue Rate and all reasonable costs and expenses of collection and of all proceedings under the Master Trust Agreement, without prejudice to any other right or remedy of the Trustee or of the Owners and to recover and enforce any judgment or decree against the Corporation, but solely as provided in the Master Trust Agreement, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from money available for such purposes), in any manner provided by law, the money adjudged or decreed to be payable.

As provided in Section 7.07 of the Master Trust Agreement and subject to the limitations therein, the Trustee or its assignee, upon an Event of Default described in (e) above under “Events of Default” and the termination of the Lease Agreement, may take possession of the Projects or any portion thereof subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), and it shall, if the City relinquishes possession of such Project and or portion thereof pursuant to the Lease Agreement subsequent to an Event of Default described in (e) above under “Events of Default,” take possession of the applicable Project or portion thereof subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), in accordance with the provisions of Section 7.07 of the Master Trust Agreement and of the Lease Agreement and the related Ground Lease, which provide such repossession is subject to Permitted Encumbrances, including the Use Arrangements, if any, unless otherwise provided in the related Lease Schedule.

Upon taking possession of the Project or portion thereof subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), the Trustee or its assignee is authorized to re-let such Project or portion thereof subject to surrender for the benefit of the Owners of the Series of Certificates which financed and/or refinanced the related Project, and subject to Permitted Encumbrances, including the Use Arrangements, if any, unless otherwise provided in a related Lease Schedule, and subject further to the terms and conditions hereof.

The Series 20[] Excluded Components are not subject to surrender upon an Event of Default under the Series 20[] Trust Agreement. See “THE SERIES 20[] PROJECT—Series 20[] Project Components.”

[See “SECURITY FOR THE SERIES 20[] CERTIFICATES—General,” “SUMMARY OF MASTER LEASE-PURCHASE PLAN” “SELECTED INVESTMENT CONSIDERATIONS” and “SUITABILITY FOR INVESTMENT” herein.]

Application of Funds

Anything in the Master Trust Agreement to the contrary notwithstanding, if at any time the money in the Lease Payment Fund shall not be sufficient to pay the interest on or the principal of the Certificates as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 8.02 of the Master Trust Agreement) and the Hedge Obligations related thereto, the Trustee, subsequent to payment of all

reasonable costs and expenses relating to collection of such moneys and fees, costs and expenses of the Trustee, including reasonable fees, costs and expenses of Trustee's counsel, shall deposit all moneys derived from the re-letting of any Project or portion thereof subject to surrender (which excludes any Excluded Components included in or comprising all of a Project), including moneys and damages collected in connection therewith, and all moneys in the Pledged Accounts relating thereto (amounts in a subaccount of the Project Account for such portion of a Project may, at the discretion of the Trustee, be retained in such subaccount to continue payment of the acquisition and construction of such portion of a Project) into a special account established for the sole benefit of the Owners of the Series of Certificates (and the Counterparty or Counterparties to any Hedge Agreement related thereto) which financed or refinanced such Project (and on a pro rata basis in the event more than one Series of Certificates relate to such Project) and shall apply moneys in such special account as follows:

If the principal of such Series of Certificates shall not have become or shall not have been declared due and payable, all such money in the special account established for such Series shall be applied:

First: to the payment to the Persons entitled thereto of (a) all installments of interest on such Series of Certificates and (b) any Hedge Obligations related thereto; in each case then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in such Series of Certificates and any Hedge Obligations related thereto;

Second: to the payment to the Persons entitled thereto of the unpaid principal of any Certificates of such Series that shall have become due and payable, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Certificates of such Series due and payable on any particular date, then to the payment ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference;

Third: to the payment of the interest on and the principal of such Series of Certificates, to the purchase and retirement of such Series of Certificates, and to the prepayment of such Series of Certificates, all in accordance with the provisions of the Master Trust Agreement;

Fourth: to the payment of any amounts owed and unpaid to the Credit Enhancer for such Series or under the reimbursement agreement relating to the Credit Facility for such Series;

Fifth: to the payment of any Termination Fees related to such Series of Certificates;

Sixth: to the payment of any amounts owing in regard to Ground Leases relating to such Series; and

Seventh: to the payment of any surplus moneys to the City.

If the principal of such Series of Certificates shall have become or shall have been declared due and payable, all such money in the special account established for such Series shall be applied to the payment of principal and interest then due upon such Series of Certificates (or, in the case of Capital Appreciation Certificates, the Accredited Value thereof) and all Hedge Obligations related thereto without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest or any such Certificate over any other such Certificate ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto, without any discrimination or preference and then to the payment of any amounts owed and unpaid the Credit Enhancer for such Series or under the reimbursement agreement relating to the Credit Facility for such Series, then to the payment of any Termination Fees related thereto and then to the payment of any amounts owing in regard to Ground Leases relating to such Series. Any surplus moneys shall be paid to the City.

If the principal of such Series of Certificates shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 8.02 of the Master Trust Agreement, then, subject to the provisions of paragraph (a)(ii) of Section 8.04 of the Master Trust Agreement, in the event that the principal of such Series of Certificates shall later become due and payable or be declared due and payable, the money then remaining in and thereafter accruing to the special account established for such Series shall be applied in accordance with the provisions of paragraph (a)(i) of Section 8.04 of the Master Trust Agreement.

Whenever money is to be applied by the Trustee pursuant to the provisions of Section 8.04 of the Master Trust Agreement and, subject to any written direction given by a Credit Enhancer pursuant to Section 8.14 of the Master Trust Agreement, such money shall be applied by the Trustee at such times and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such money available for such application and the likelihood of additional money becoming available for such application in the future; the setting aside of such money, in trust for the proper purpose, shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Corporation, the City, to any Owner or to any other Person for any delay in applying any such money so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the Master Trust Agreement as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give notice by first class mail, postage prepaid, to all Owners of the fixing of any such date, and shall not be required to make payment to the Owner of any Certificates until such Certificates shall be surrendered to the Trustee for cancellation if fully paid.

Supplemental Trust Agreements

Each Supplemental Trust Agreement will be in substantially the form approved by the City pursuant to the ordinance previously enacted by the City authorizing the Certificates and related matters (the "Ordinance").

[Add information about prior supplemental trust agreements.]

The form of the Series 20[] Supplemental Trust Agreement is set forth in APPENDIX B hereto. [Add pertinent language about accounts/subaccounts created for the Series 20[] Certificates.]

THE CORPORATION

The Corporation is a not-for-profit Florida corporation formed in 1988 for the purpose of facilitating the lease-purchase and financing of the municipal facilities such as the Projects. The sole, non-voting member of the Corporation is the City. The members of the board of directors of the Corporation, are, ex-officio, the members of the City Commission of the City. Currently, the Mayor of the City serves as President of the Corporation, the Vice-Mayor of the City serves as Vice-President of the Corporation, the Finance Director of the City serves as Treasurer of the Corporation and the City Clerk of the City serves as Secretary of the Corporation. Upon dissolution of the Corporation, all of its assets will be distributed to the City. There is no litigation currently pending or threatened against the Corporation.

SIMULTANEOUSLY WITH THE EXECUTION, AUTHENTICATION AND DELIVERY OF THE SERIES 20[] CERTIFICATES, PURSUANT TO THE SERIES 20[] ASSIGNMENT OF GROUND LEASE AGREEMENT THE CORPORATION WILL MAKE AN ABSOLUTE ASSIGNMENT OF ITS RIGHT, TITLE AND INTEREST UNDER THE SERIES 20[] GROUND LEASE AGREEMENT TO THE TRUSTEE.

[IN CONNECTION WITH THE EXECUTION OF THE MASTER LEASE, THE CORPORATION MADE] [ADDITIONALLY, SIMULTANEOUSLY WITH THE EXECUTION, AUTHENTICATION AND DELIVERY OF THE SERIES 20[] CERTIFICATES, THE CORPORATION WILL MAKE] PURSUANT TO THE ASSIGNMENT OF LEASE AGREEMENT AN ABSOLUTE ASSIGNMENT OF ITS RIGHT, TITLE AND INTEREST UNDER THE LEASE AGREEMENT TO THE TRUSTEE, BUT EXCLUDING CERTAIN RETAINED INDEMNIFICATION RIGHTS AND THE RIGHTS TO ENTER INTO CERTAIN AMENDMENTS TO THE LEASE SCHEDULES AND ITS OBLIGATIONS UNDER SECTION 6.03 OF THE MASTER LEASE.

THE TRUSTEE WILL COLLECT DIRECTLY ALL OF THE AMOUNTS WHICH ARE THE SOURCE OF AND SECURITY FOR PAYMENT OF THE OUTSTANDING SERIES 20[] CERTIFICATES AND ANY OTHER OUTSTANDING CERTIFICATES [INCLUDING THE PRIOR CERTIFICATES].

THEREFORE, THE CREDIT OF THE CORPORATION IS NOT MATERIAL TO ANY OF THE TRANSACTIONS CONTEMPLATED IN THIS OFFERING STATEMENT AND FINANCIAL INFORMATION CONCERNING THE CORPORATION HAS NOT BEEN INCLUDED HEREIN.

DESCRIPTION OF THE CITY

Background

The City is a municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter, adopted in 1957. The City was incorporated in 1947 and is located in northeastern portion of Broward County, Florida (the "County" or "Broward County"), north of the City of Fort Lauderdale, and includes

approximately three miles of beachfront. The City covers approximately 24.59 square miles. In addition to general governmental services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. The City's parking system, water and sewer, stormwater, sanitation, and airport operations are reported as enterprise funds.

The City is home to approximately 113,691 residents. During peak season (September through March) this number increases to nearly 150,000. The City is also home to over 28 million square feet of industrial/warehouse/distribution space. The City provides access to both the Florida Turnpike and Interstate 95 and is in close proximity to the Fort Lauderdale International Airport. The Pompano Beach Air Park is also home to the Goodyear Blimp. Since 2010, the City, in conjunction with its Community Redevelopment Agency (the "CRA"), has been implementing a plan to revitalize the City's beachfront area into a pedestrian-friendly area to attract residents and visitors to dine, shop and enjoy recreational activities. In addition, the City, in conjunction with the CRA, is implementing a master development plan approved by the City Commission on June 20, 2024 to revitalize the City's downtown area with a variety of mixed-use private and public projects, in partnership with a master developer. See "THE SERIES 20[] Project—Master Development Agreement."

See "APPENDIX D—Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 20[]" for certain statistical and financial information regarding the City.

City Government

The City operates under a Commission/City Manager form of government pursuant to which the Mayor and City Commission hire the City Manager. The City Commission is comprised of six members, each elected for a two-year term, with the exception of the Mayor, who is elected for a four-year term. One member of the City Commission is elected as Mayor by the electors of the City and chairs the City Commission. The City Commission is responsible for legislative duties and the City Manager is responsible for enacting the policies and actions approved by the Commission and overseeing the daily operations of the City.

Financial Statements and Annual Audit

State law requires that an annual audit of all City accounts and records be completed within the number of days following the end of each Fiscal Year specified by State law (currently nine months) by an independent certified public accountant retained by the City. The basic financial statements included in the excerpts from the City's Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 20[] (the "ACFR"), audited by [], independent certified public accountants, and included herein as part of APPENDIX D, are an integral part of this Offering Statement. The consent of [], to the inclusion of the ACFR herein was not requested. In addition, [], was not requested to perform and has not performed, since the date of their report included herein, any procedures on the financial statements addressed in that report. [] also has not performed any procedures relating to this Offering Statement.

Description of Financial Practices and Financial Statements

The basic financial statements of the City are prepared in conformity with generally accepted governmental accounting principles. The City uses funds and accounts groups to report on its financial position and results of its operations. A summary of significant accounting policies of the City is contained in the notes to the City's basic financial statements, which are included in APPENDIX D hereto.

Investment Policy

In accordance with State law, the City has adopted an investment policy via resolution pursuant to applicable Florida law establishing investment guidelines for local governments in Florida. Oversight for the investment program lies with the City's Finance Director under the direction of the City Manager. The City also engages an external investment management firm to manage the majority of its investment portfolio in order to further safeguard its public funds and maximize yield. The City's investment program is established in accordance with the City's investment policy. See the ACFR included as APPENDIX D hereto for additional information regarding the City's financial policies and planning. The City believes that it is currently in compliance with its investment policy.

Cash Management

All monies received are deposited within twenty-four hours of receipt. Surplus funds are invested in accordance with the City's approved investment policy on either a short term or long term basis, based on the City's liquidity needs.

Fund Balance/Net Asset Policy

The City Commission has formally adopted a fund balance/net asset policy (the "Policy") for the City's General Fund and its Water and Sewer, Stormwater Funds and Parking System Funds. The objective of the Policy is to ensure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. More specifically, the Policy ensures that the City maintains adequate fund balance/net asset reserves to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns and revenue shortfalls, (3) maintain stable tax/fee rates (4) provide funds for unforeseen expenditures related to emergencies, (5) provide for renewal and replacement of long-lived assets and (6) secure and maintain investment grade bond ratings.

Debt Management Policy

The City Commission has formally adopted a debt management policy (the "Debt Policy") to assist in improving the quality of the City's decisions governing debt issuance. More specifically, the Debt Policy establishes parameters for issuing debt and managing a debt portfolio that encompass existing legal, economic, financial and capital market conditions, the City's capital improvement needs, and its ability to repay financial obligations as they become due. The policy:

- Assists the City in maintenance, acquisition and replacement of appropriate capital assets

- for present and future needs;
- Guides the City in policy and debt issuance decisions;
- Provides a framework within which each potential issuance can be evaluated;
- Assists in controlling the types and levels of outstanding obligations;
- Outlines a mechanism to ensure ongoing compliance requirements governing outstanding obligations;
- Ensures that the costs of debt issuance are borne equitably by each generation of taxpayers, rate payers, users, and other beneficiaries; and promotes sound financial management.

Strategic Planning

The City has adopted a long-term strategic plan that articulates a clear vision of its future that is integrated with an organizational philosophy to guide elected officials' and employees' actions and the efficient and effective use of resources. The plan is focused on the issues of greatest importance to the City Commission and its citizens. It will provide the framework that will enable the City to make prudent business decisions for its successful operation and the continuing development of the City as a highly desirable location for residents, businesses and visitors. The plan includes benchmarks or milestones that measure the City's progress toward achieving its strategic goals and objectives.

Existing Debt and Other Undertakings; Future Debt and Other Undertakings

[The City and the Corporation have previously entered into the Prior Leases and the Trustee has previously issued the Prior Certificates, as more fully described under "SECURITY FOR THE SERIES 20[] CERTIFICATES—'Master Lease—Lease Schedules' and 'Master Trust Agreement—Selected Matters Relating to Certificates'."]

The City also has entered into certain subject to annual appropriation equipment leases and a subject to annual appropriation lease with respect to its Pier Parking Garage.

The City currently has outstanding certain water and wastewater revenue bonds and state revolving loans secured by a pledge of the revenues of the City's water and wastewater system and certain outstanding stormwater revenue bonds [and state revolving loans] secured by a pledge of the revenues of the City's stormwater utility. The City has served as a conduit issuer in connection with certain outstanding revenue bonds of the City, payable solely from payments received by the City from the conduit borrowers. The Agency has also issued and has outstanding certain community redevelopment bonds secured by revenues from the respective community redevelopment trust funds of the Agency.

See the ACFR included as APPENDIX D for more information regarding the foregoing.

[The City does not currently plan to issue any other debt obligations or entering into subject to annual appropriation leases within the next twelve months, although it is not precluded from so doing]. [To be updated/confirmed] [See "THE SERIES 20[] PROJECT" and "SECURITY FOR THE SERIES 20[] CERTIFICATES—Master Trust Agreement—Selected Matters Relating to Certificates."]

Pension Plans and Other Post-Employment Benefits

General

The City has two single employer defined benefit plans, namely, the General Employees Retirement System (the “GERS”) and the Police and Firefighters Retirement System (the “PFRS”). The following summarizes only certain information regarding the GERS, PFRS and the City’s other post-employment benefits. Reference is made to the ACFR including [Note I (P) and (Q), Note II (J) and Note III (A) through (D)], for more complete information regarding the GERS, PFRS and the City’s other post-employment benefits.

The City also provides an optional defined contribution pension plan created in accordance with Section 401(a) of the Code for certain employees and an optional deferred compensation plan created in accordance with Section 457 of the Code. The 401(a) and 457 plan assets have been placed in trust accounts with third-party plan administrators for the exclusive benefit, and under the control, of participants and their beneficiaries and not considered assets of the City. Accordingly, the 401(a) and 457 plan assets and liabilities are not included in the City’s financial statements. The City has no required contributions to these plans.

At September 30, 20[___], the City recorded a net pension liability related to the GERS Plan (hereinafter defined) and a net pension liability related to the PFRS Plan (hereinafter defined) in its government-wide and enterprise fund statements of net position, as applicable. For governmental activities it is expected that the net pension liability will be liquidated by the General and EMS Funds. For business-type activities, the enterprise funds will be responsible for liquidating that component of the City’s net pension liability and the net pension liability is recorded within these individual fund financial statements to reflect this, in accordance with accounting recognition criteria. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries.

GERS

[All to be updated]

The GERS is a single employee defined benefit pension plan (the “GERS Plan”) established by ordinance of the City on December 8, 1972. In September 1991, the City contracted with Broward County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of Broward County. These employees were given the option of remaining in the GERS, in which case Broward County would make the required annual employer contributions as determined by the GERS Plan’s actuary. In August 1999, the City also contracted with the Broward County Sheriff’s Office (“BSO”) whereby the BSO would provide policing services in the City in return for a specified annual payment by the City (the “BSO Agreement”). As a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the GERS Plan or switch to the BSO’s retirement plan.

The GERS is administered by a seven-member Board of Trustees comprised of three persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the GERS. Since the GERS is sponsored by the City, the GERS is included as a pension trust fund in the City's annual comprehensive financial report, as part of the City's financial reporting entity.

All GERS Plan members are required to contribute 10% of their earnings to the Plan. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the members plus interest at 3% per year. The City is required to contribute such amounts as are necessary to maintain the actuarial soundness of the GERS Plan and to provide the GERS Plan with assets sufficient to meet the benefits to be paid to the participants. Broward County is to contribute such amounts as determined by the actuary to cover BSO's employees. For the fiscal year ended September 30, 20[___], the GERS Plan's actuary determined that the required City lump-sum total contribution was \$[_____].

PFRS

[All to be updated]

The PFRS is a single employer defined benefit pension plan (the "PFRS Plan") established by ordinance of the City on August 15, 1972 (effective October 1972). All full-time employees of the City's police and fire departments, who are classified as sworn police officers and firefighters are covered by the PFRS Plan. As a result of the BSO Agreement described above, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the PFRS Plan or switch to the BSO's retirement plan and the PFRS Plan was closed to new police officers.

The PFRS is administered by a nine-member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the firefighter members, and three members elected by/from the police members. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the PFRS. The PFRS is an integral part of the primary government of the City and is included as a pension trust fund in the City's basic financial statements.

Contribution requirements are established and may be amended by the City in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. The contribution requirements are determined based on the benefit structure established by the City. The City is required to contribute amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Police officers are required to contribute 8.6% and firefighters 11.6% of their annual covered salary. Pursuant to Chapters 175 and 185, Florida Statutes, a premium tax on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the City for the PFRS. The City and BSO are required to contribute the remaining amounts necessary to fund the benefits through periodic contributions at actuarially determined rates. Administrative costs are funded through investment earnings. Since the City initiated its relationship with BSO to provide policing services in 1999, BSO has made the annual required employer contribution to the PFRS for the police officers assigned by BSO to the City. However,

the City is ultimately obligated to ensure that the PFRS Plan is funded each year, despite the BSO Agreement. [In fiscal year 2024, the City started paying the police pension contributions directly to the PFRS upon the retirement of the last BSO employee. The amount contributed was \$4,890,981 directly to the PFRS.] For the fiscal year ended September 30, 20[___], the PFRS Plan's actuary determined that the City's required total fire and police contribution was \$[_____].

Other Post Employment Benefits

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage (medical & dental) is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City does not pay any out of pocket costs as it relates to its retirees post retirement costs for medical/dental coverage. The City currently provides these benefits in accordance with the vesting and retirement requirements for its GERS and PFRS plans.

The City is financing other post employee benefits ("OPEB") on a pay as you go basis. As determined by an actuarial valuation, the City records a net OPEB obligation in its proprietary and government wide financial statements related to the implicit subsidy.

The City's total OPEB liability of \$[_____] was measured as of September 30, 20[___], and was determined by an actuarial valuation as of [October 1, 2021].

For a more detailed discussion and additional information regarding the City's pension plans and other post-employment benefits, see the notes to the ACFR included in APPENDIX D.

SOURCES OF AVAILABLE REVENUES

Selected Matters Relating to Available Revenues

General

The City collects a wide range of non-ad valorem revenues and ad-valorem taxes to fund its annual operations. A significant source of Available Revenues to be applied by the City to make Basic Rent Payments, if it should budget and appropriate the same for such purpose, will be non-ad valorem revenues of the City, to the extent legally available to make Basic Rent Payments. **The Available Revenues are not pledged as security for the payment of the Series 20[___] Bonds.**

Non-Ad Valorem Revenues

The sources of the City's non-ad valorem revenues currently include the primary sources more fully described below under "Specific Sources of Certain Non-Ad Valorem Revenues." The sources described below exclude revenues generated by the City's water and sewer system

which are pledged to outstanding bonds and state revolving loans of the City and revenues generated by the City's stormwater utility, which are pledged to outstanding bonds [and state revolving loans] of the City. Notwithstanding the foregoing, the applicable ordinances authorizing such bonds and loans permit the City to use water and sewer system revenues and stormwater system utility revenue, as applicable, as for any lawful purpose of the City, after all required monthly deposits for the respective obligations are made, and accordingly, such surplus may become Available Revenues.

Due to State law restrictions, certain other non-ad valorem revenues are not legally available funds which can be used to make Basic Rent Payments (such as non-ad valorem funds derived from taxes on insurance premiums, one-cent municipal fuel tax collections, the issuance of building permits and taxes and assessments imposed for emergency medical services).

Adverse legislative changes or economic conditions could have a material adverse effect on the amount of non-ad valorem revenues generally collected or received by the City in any Fiscal Year. See "SELECTED INVESTMENT CONSIDERATIONS—Legislative Initiatives and Economic Conditions."

Ad Valorem Taxes

Under State law, the assessment of all properties and the collection of all county, school district, special taxing district, and municipal property taxes are consolidated in the offices of the county property appraiser and county tax collector. The State Constitution limits the aggregate rate of ad valorem taxes that may be levied on real and personal property. The limitation, except as noted below, is ten (10) mills each for all county and municipal purposes. A mill is equal to one-tenth of one cent of one dollar or \$1.00 for every \$1,000 of assessed value.

The millage rate of each taxing authority, except as limited by law, is established on the basis of estimates of revenue needs and total taxable property valuations within each taxing authority's jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. As noted earlier, in setting millage rates, the applicable governmental unit is required by State law to assume not less than ninety-five percent (95%) of the taxable value of the property within its jurisdiction, as certified by the county property appraiser.

State law requires that all non-exempt property be assessed at one hundred percent (100%) of fair market value, with certain exceptions. The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are a variety of special exemptions, including but not limited to, for widows, hospitals, homesteads, working waterfronts, nursing homes, certain disabled persons homesteads, homes for the aged, disabled veterans and low-income senior citizens and first responders. The general "homestead exemption" exempts from taxation the first \$25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis, as of January 1 of the year of valuation. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than one hundred percent (100%) of fair market value. In addition, several amendments to the Florida Constitution have been made to provide homeowners additional exemptions from taxation for certain homestead properties. See In 1973, the State enacted legislation to encourage public awareness of spending and taxing decisions made by local elected officials. That legislation was amended in 1980 by the Truth in Millage or

“TRIM BILL,” now codified as Section 200.065, Florida Statutes. The legislation provides that, if the tax rate established by the governing board exceeds the rolled-back rate, the taxing authority shall publish notice of the proposed tax increase prior to the public hearing required to be held for the adoption of the final budget and millage rate. Under Section 200.065, a “rolled-back rate” is defined as the millage rate that would produce the same amount of ad valorem taxes in each current year as were levied in the prior year, exclusive of any increase in assessments resulting from new construction and geographic boundary changes.

In 2007, the State Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local government (the “Millage Rollback Legislation”). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 fiscal year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in fiscal year 2006-2007; provided, however, depending upon the relative growth of each local government’s own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by 0% to 9%. In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

The taxes of all governmental units, including the City, are billed together and each landowner in the County is required to pay all such taxes without preference as to any particular increment. Under current administrative rules, the County Tax Collector cannot accept partial payment of a tax bill.

Several amendments to the State Constitution affecting ad valorem taxes have been approved by voters in the past. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the City or the City’s ad valorem taxing power or the City’s finances. See “SELECTED INVESTMENT CONSIDERATIONS—Legislative Initiatives and Economic Conditions” herein.

[Consider adding information regarding specific amendments and legislation impacting ad valorem taxes.]

Specific Sources of Certain Non-Ad Valorem Revenues

[All to be updated]

The following is a brief description of certain of the sources of the City’s non-ad valorem revenues. No representation is made that any of the specific revenue sources will be available to

the City in future years. See “SELECTED INVESTMENT CONSIDERATIONS—‘Legislative Initiatives and Economic Conditions’ and ”Additional Indebtedness and Other Undertakings’.”

Public Services Tax

The City imposes, by ordinance a utilities tax (the “Public Services Tax”) pursuant to Section 166.231, Florida Statutes and other applicable provisions of law. State law authorizes any municipality in the State to levy a utilities tax on the purchase within such municipality of electricity, metered natural gas, liquified petroleum gas, either metered or bottled, manufactured gas, either metered or bottled, and water service. Services competitive with those enumerated in the previous sentence, as defined by ordinance, shall be taxed on a comparable base at the same rates. However, fuel oil shall be taxes at a rate not to exceed 4 cents per gallon.

The utility service tax is levied by the City at the rate of []% with the exception of the utility service tax imposed on water service, which is levied at the rate of []%. The United States, State, and the political subdivisions and agencies, boards, commissions, and authorities thereof, are exempted from payment of the utility service tax. Any recognized church, when purchasing electricity, metered natural gas, liquefied petroleum gas either metered or bottled and manufactured gas either metered or bottled, exclusively for church purposes, is similarly exempted.

The amount of Public Services Tax received by the City may fluctuate as the price of water, gas and/or electricity and the other services subject to the Public Services Tax fluctuates and a sustained increase in the price thereof may have an adverse effect on the amount of Public Services Tax collected by the City. See also “SELECTED INVESTMENT CONSIDERATIONS—Legislative Initiatives and Economic Conditions” herein.

Communications Services Tax

The Communications Services Tax Simplification Act, enacted by Chapter 2000-260, Laws of Florida, as amended by Chapter 2001-140, Laws of Florida, and now codified in part as Chapter 202, Florida Statutes (the “CSTA”) established, effective October 1, 2001, a local communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes, and as of the same date repealed Section 166.231(9), Florida Statutes, which previously granted municipalities the authority to levy a utility services tax on the purchase of telecommunications services. See “DESCRIPTION OF NON-AD VALOREM REVENUES – Public Services Tax” above.

The City, by ordinance, levies a []% local communications services tax (the “Local Communications Services Tax”), [plus an add-on in the amount of []% for a total rate of []%]. The Local Communications Services Tax must be collected by the provider from purchasers and remitted to the Florida Department of Revenue (“FDOR”). The proceeds of the Local Communications Services Tax, less FDOR’s costs of administration, are transferred to the Local Communications Services Tax Clearing Trust Fund (the “CST Trust Fund”) held by FDOR and distributed to the City on a monthly basis.

The Local Communications Services Tax Revenues received by the City are deposited into the City’s General Fund and may be used for any public purpose. The revenues that are received by the City from such Local Communications Services Tax which derive from the CST

Trust Fund created with the FDOR pursuant to Section 202.193, Florida Statutes, may be pledged for the repayment of current or future bonded indebtedness.

One effect of the CSTA was to replace the former utilities tax on telecommunications, including pre-paid calling arrangements, as well as any revenues from franchise fees on cable and telecommunications service providers and permit fees relating to placing or maintaining facilities in rights-of-way collected from providers of certain telecommunications services, with the local communications services tax. This change in law was intended to be revenue neutral to the counties and municipalities. The local communications services tax applies to a broader base of communications services than the former utilities tax on telecommunications.

The local communications services tax applies to the purchase of “communications services” which originated or terminated within the City, with certain exemptions described below. “Communication services” under the CSTA are defined as the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term does not include:

- (a) Information services.
- (b) Installation or maintenance of wiring or equipment on a customer’s premises.
- (c) The sale or rental of tangible personal property.
- (d) The sale of advertising, including, but not limited to, directory advertising.
- (e) Bad check charges.
- (f) Late payment charges.
- (g) Billing and collection services.
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar on-line services.

The sale of communications services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from state taxes under federal law, (ii) the State or any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged or educational institution (which includes state tax-supported and nonprofit private schools, colleges and universities and nonprofit libraries, art galleries and museums, among others) or religious institutions (which include, but are not limited to, organizations having an established physical place for worship at which nonprofit religious services and activities are regularly conducted) that is exempt from federal income tax under Section 501(c)(3) of the Code are exempt from the local communications services tax.

The CSTA provides that, to the extent that a provider of communications services is required to pay to a local taxing jurisdiction a tax, charge, or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the local communications services tax, such provider is entitled to a credit against the amount of such local communications services tax payable to the State in the amount of such tax, charge, or fee with respect to such service or revenues. The amount of such credit is deducted from the amount that such local taxing jurisdiction is entitled to receive under Section 202.18(3), Florida Statutes.

[However, the City does not impose any such fees or charges on communications services providers.]

Under the CSTA, local governments must work with the FDOR to properly identify service addresses to each municipality and county. If a jurisdiction fails to provide the FDOR with accurate service address information, the local government risks losing tax proceeds that it should properly receive. [The City believes it has provided the FDOR with all information that the FDOR has requested as of the date hereof and that such information is accurate.]

The Federal Internet Tax Freedom Act (“ITFA”) imposed a moratorium on taxation of Internet Access by states and political subdivisions. As amended by the Internet Tax Nondiscrimination Act (“ITNA”), “Internet Access” includes communications services (unregulated non-utility telecommunications, such as cable services) purchased, used or sold by a provider of Internet Access to provide Internet Access, including related communication services, such as email and instant messaging. On February 24, 2016, President Obama signed the Trade Facilitation and Trade Enforcement Act of 2015, (Public Law 114-125, Sec. 922) that included a provision granting a permanent moratorium on Internet Access Taxes. Since Public Law 114-125, Sec. 922 has been in place and since the inception of Chapter 202, Florida Statutes, that excludes charges for internet access services from state law. [The City does not anticipate any negative impact on future collections of local communications services tax revenues because of this action.]

Providers of communications services collect the local communications services tax and may deduct 0.75% as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a data base that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the CST Trust Fund. The FDOR then makes monthly contributions from the CST Trust Fund to the appropriate local governments after deducting up to 1% of the total revenues generated as an administrative fee.

The amount of local communications services tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences. See “SELECTED INVESTMENT CONSIDERATIONS—Legislative Initiatives and Economic Conditions” herein.

Chapter 202-157 was signed into law during the 2023 State Legislative session and provides that any local communications services tax rate in effect as of January 1, 2023, may not be increased before January 1, 2026. Chapter 202-157 also provides that any increase to discretionary sales tax levied pursuant to Section 212.055, Florida Statutes may not be added to the local CST under Section 202.19, Florida Statutes before January 1, 2026.

Electric Franchise Tax

The City has, by ordinance, granted to Florida Power & Light Company (“FPL”) a 30-year non-exclusive franchise to construct, maintain and operate power facilities over public rights-of-way throughout the City. The franchise fee is added to each electricity customer’s

monthly bill and is remitted monthly by FPL to the City. The franchise will expire in 20[32] unless the City and FPL renew the franchise.

[Add any others]

Local Government Half-Cent Sales Tax

Chapter 218, Part VI, Florida Statutes (the “Sales Tax Act”) authorizes the State to levy and collect a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the “Program”) which distributes a portion of the sales tax revenue and money from the State’s general fund on a monthly basis to counties and municipalities that meet certain on-going eligibility requirements. In 1982, when the Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Program, giving rise to the name “Half-Cent Sales Tax.” Although the amount of sales tax revenue deposited into the Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name “Half-Cent Sales Tax” has continued to be utilized. As of October 1, 2001, the Half-Cent Sales Tax Clearing Trust Fund (the “Half-Cent Sales Tax Trust Fund”) began receiving a portion of certain taxes imposed by the State on communications services pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived from both general sales tax proceeds and certain taxes imposed on the sales of communications services required to be deposited into the Half-Cent Sales Tax Trust Fund.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. The Sales Tax Act provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

The general rate of sales tax in the State is currently [6.00]%. Section 212.20, Florida Statutes provides for the distribution of [8.9744]%, reduced by [0.1]% of sales tax revenues deposited to the Half-Cent Sales Tax Trust Fund, after providing for certain transfers to the State’s General Fund. Such amount deposited in the Half-Cent Sales Tax Trust Fund is earmarked for distribution to the governing body of each county and each participating municipality within that county pursuant to the following distribution formulas:

County’s share (percentage of total Local Government Half-cent Sales Tax earmarked for distribution within the County)	=	$\frac{\text{unincorporated area population}}{\text{total county population}} + \frac{2/3 \text{ of the incorporated area population}}{2/3 \text{ of the incorporated area population}}$
Municipality’s share (percentage of total Local Government Half-cent Sales Tax earmarked for distribution within the County)	=	$\frac{\text{population of municipality}}{\text{total county population}} + \frac{2/3 \text{ of the incorporated area population}}{2/3 \text{ of the incorporated area population}}$

For purposes of the foregoing formulas, “population” is based upon the latest official State estimate of population certified prior to the beginning of the local government fiscal year.

The Half-Cent Sales Tax is distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act and is deposited by the City into the City's General Fund.

In order to be eligible to receive the Local Government Half-cent Sales Tax, each year the City must meet certain requirements set forth in Section 218.23, Florida Statutes, as amended. [The City has never failed to comply with such requirements.]

Although the Sales Tax Act does not impose any limitation on the number of years during which the City can receive distributions of the Half-Cent Sales Tax revenues from the Half-Cent Sales Tax Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Program, and it is not unusual for the distribution formulas to be revised from time to time by the State legislature.

The amount of Half-Cent Sales Tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within Broward County, (ii) legislative changes relating to the overall sales, tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund, (iii) changes in the relative population of the City, which affect the percentage of Half-Cents Sales Tax revenue received by the City, and (iv) other factors which may be beyond the control of the City, including, but not limited to, the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State and then distributed to the City. See "SELECTED INVESTMENT CONSIDERATIONS—Legislative Initiatives and Economic Conditions" herein.

State Revenue Sharing Trust Fund

Pursuant to Section 218.215, Florida Statutes, the State has created the Revenue Sharing Trust Fund for Municipalities (the "State Revenue Sharing Trust Fund"). Each municipality receives a minimum entitlement from the Revenue Sharing Trust Fund for Municipalities. The "minimum entitlement" is the amount of revenue, certified by each municipality and determined by the FDOR, that must be shared with such municipality such that the municipality will receive the amount of revenue necessary to meet its obligations as a result of pledges or assignments or trusts entered into which obligated funds received from revenue sources or proceeds to be distributed out of the State Revenue Sharing Trust Fund pursuant to the Florida Revenue Sharing Act of 1972, Part II of Chapter 218, Florida Statutes, as amended. The amount deposited by the FDOR into the State Revenue Sharing Trust Fund is [1.3653]% of available sales and use tax collections after certain required distributions and the net collections form the one-cent municipal fuel tax.

The amount of the State Revenue Sharing Trust Fund distributed to any one municipality is the average of three factors: an adjusted population factor; a sales tax collection factor, which is the proportion of the local City's ordinary sales tax distribution the municipality would receive if the distribution were strictly population-based; and a relative revenue-raising ability factor, which measures the municipality's ability to raise revenue relative to other qualifying municipalities in the State.

The distribution to an eligible municipality is determined by the following procedure. First, a municipal government's entitlement is computed on the basis of the apportionment factor applied to all State Revenue Sharing Trust Fund receipts available for distribution. Second, the revenue to be shared via the formula in any fiscal year is adjusted so that no municipality receives fewer funds than its guaranteed entitlement, which is equal to the aggregate amount received from the state in fiscal year 1971-72 under then-existing statutory provisions. Third, the revenue to be shared via the formula in any fiscal year is adjusted so that all municipalities receive at least their minimum entitlement, which means the amount of revenue necessary for a municipality to meet its obligations as the result of pledges, assignments, or trusts entered into that obligated State Revenue Sharing Trust Fund monies. Finally, after making these adjustments, any remaining State Revenue Sharing Trust Fund monies are distributed on the basis of the additional money of each qualified municipality in proportion to the total additional money for all qualified municipalities.

The following are sources of revenues that are deposited into the State Revenue Sharing Trust Fund.

Sales Tax Revenues. Prior to July 1, 2000, a state tax was levied on cigarette packages at varying rates, depending upon the length and number of cigarettes in a package and, pursuant to Section 210.20(2)(a), Florida Statutes, certain amounts derived from such cigarette taxes were deposited to the State Revenue Sharing Trust Fund after deducting therefrom certain charges for administration and collection. Effective July 1, 2000, the cigarette tax revenues were eliminated from distribution to the State Revenue Sharing Trust Fund and replaced with sales and use tax proceeds. Currently, 1.3653% of the available proceeds of the sales and use tax imposed pursuant to Chapter 212, Florida Statutes, is transferred monthly to the State Revenue Sharing Trust Fund after certain other transfers have been made and certain charges for administration and collection have been deducted therefrom.

Municipal Fuel Tax. The proceeds of the municipal fuel tax imposed pursuant to Section 206.41(1)(c), Florida Statutes, after deducting certain service charges and administrative costs is transferred into the State Revenue Sharing Trust Fund. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities. [None of the Series 20[] Project is allocable to transportation facilities.]

The sales and use tax provides the majority of the receipts for the guaranteed entitlement from the State Revenue Sharing Trust Fund. For the State's fiscal year ending June 30, 20[] the FDOR's Office of Tax Research estimated that approximately []% of the deposits of the State Revenue Sharing Trust Fund will be from sales and use tax and approximately []% will be from the municipal fuel tax.

See "SELECTED INVESTMENT CONSIDERATIONS—Legislative Initiatives and Economic Conditions" herein.

Other Intergovernmental Revenues

Other intergovernmental revenues constitute amounts received by the City pursuant to federal, State and County statutory requirements or initiatives and local programs that are designed to fund specific needs and services within the City. Such revenues include, without limitation, amounts received from: (i) federal grants for emergency management, homeland security, economic development, transportation and technology, (ii) the State pursuant to (a) the gasoline tax refund under Chapter 206, Part I, Florida Statutes, as amended, and (b) State grants for library services, emergency management and community affairs, (iii) the County resulting from business tax receipts and mobile home license fees, hazardous material cleanup and grants for emergency management, security and other City services; and (iv) museums, community colleges and other local entities.

Parking System Revenues

Parking System Revenues consist of the rentals, rates, charges, fines and other fees derived from the operation of the City's Parking System. The Parking Revenues generated by the Parking System are credited to the City's Parking System Enterprise Fund.

Charges for Services

The City collects revenue from fees it charges for certain services it provides. Such fees include, without limitation: (i) funds from internal services, (ii) charges for lien searches, lien collections, certification and general photocopying, (iii) planning and zoning fees, (iv) security system registration and monitoring fees, (v) election filing fees, (vi) towing fees, (vii) fire inspection and other specific fire department service fees, (viii) fees for emergency medical services, and (ix) fees for the use of parks, playgrounds and related facilities and equipment.

Fines and Forfeitures

Revenues from fines and forfeitures primarily constitute amounts received by the City from fines assessed by the courts and charges imposed for municipal code violations.

Lease Revenue From Economic Development

The City ground leases certain parcels that are used for [retail, hotel and restaurant purposes] in its beach area as part of the on-going revitalization and redevelopment program undertaken by the City and the Agency in the Agency's East District area. The City is entitled to minimum base rent amounts for each ground leased parcel equal to approximately \$[] annually. These arrangements further entitle the City to a percentage of gross revenues derived by the ground lessee[s] exceeding certain annual gross revenue amounts. The City anticipates began receiving these amounts in fiscal year 20[]. The ground leases and revenue sharing-arrangements currently expire in 20[].

[Discuss revenues anticipated from Downtown Master Redevelopment Project with appropriate disclaimers/studies]

Miscellaneous

Miscellaneous revenues include, but not limited to, amounts received by the City from (i) interfund transfers and charges, (ii) fire assessment fees, (iii) business tax receipts, (iv) pari-mutuel operations within the City, (v) the sale of surplus property, (vi) interest earnings on (a) the investment of moneys in the City's General Fund, (b) current or delinquent taxes, and (c) liens on property, and (vii) contributions made to the City. The City can discontinue or change any of its fees, rates and charges and may discontinue any of the activities of the County that generate user service charges, regulatory fees or any other Non-Ad Valorem Revenues.

SELECTED FINANCIAL MATTERS RELATING TO THE CITY

Certain Matters Relating to Annual Budget Process and General Fund Budget

The City follows the procedures set forth in Chapters 166 and 200 of the Florida Statutes in establishing its annual Budget. The City Manager submits to the City Commission of the City a proposed operating budget for the Fiscal Year commencing on October 1. The proposed operating budget includes proposed expenditures and revenues. Public hearings are then conducted to obtain taxpayer comments on the proposed operating budget. The annual Budget is enacted through the passage of an ordinance by the City Commission on or before the fifteenth day of September of the Fiscal Year currently ending.

The City's Fiscal Year 20[]-20[] annual Budget was adopted on [], 20[] in the approximate amount of \$[] million with a General Fund budget of approximately \$[] million (including transfers in). The operating millage rate [increased] [decreased] from [] mills in Fiscal Year 20[]-20[] to [] mills in Fiscal Year 20[]-20[]. The Florida Constitution provides that no municipality may levy more than 10 mills, exclusive of voted millage. The City will [first][next] consider budgeting and appropriating Lease Payments in its annual Budget for Fiscal Year 20[]-20[].

Selected Information Regarding The City's General Fund

The following tables reflect historical financial information for the City's General Fund (the City's main operating fund) for the past five Fiscal Years (20[] through 20[]), as audited by an independent certified public accountant. Tables indicate the General Fund's financial position (Balance Sheet) at the end of the respective Fiscal Year, as well as the General Fund's results of its operations (Statement of Revenue, Expenditures and Changes in Fund Balances) for the Fiscal Year then ended.

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CITY OF POMPANO BEACH, FLORIDA
GENERAL FUND BALANCE SHEET FOR FISCAL YEARS ENDED
SEPTEMBER 30, 20[]-20[]
(audited)

	20[]	20[]	20[]	20[]	20[]
ASSETS					
Cash and cash equivalents					
Restricted cash and cash equivalents					
Restricted investments					
Unrestricted investments					
Interest receivable					
Accounts receivables, net					
Assets held for resale & development					
Due from other funds					
Due from other governments					
Inventories					
Prepays					
Other assets					
Total assets					
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable					
Accrued expenditures					
Due to other governments					
Advances from other funds					
Unearned revenue					
Total liabilities:					
Deferred inflows of resources:					
Unavailable revenue					
Fund balances ⁽¹⁾ :					
Reserved					
Unreserved					
Nonspendable					
Restricted					
Assigned					
Unassigned					
Total fund balances ⁽²⁾					
Total liabilities, deferred inflows of resources and fund balances					

Source: Compiled from Annual Comprehensive Financial Reports for the Fiscal Years 20[]-20[].

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES---
GENERAL FUND FOR FISCAL YEARS ENDING
SEPTEMBER 30, 20[]-20[](audited)

	<u>20[]</u>	<u>20[]</u>	<u>20[]</u>	<u>20[]</u>	<u>20[]</u>
Revenues					
Taxes					
Judgments, fines and forfeitures					
Permits, fees and special assessments					
Intergovernmental					
Charges for services					
Pari-Mutuel					
Donations					
Investment earnings					
Other revenue					
Total revenues					
 EXPENDITURES					
Current:					
General government					
Public safety					
Physical environment					
Transportation					
Culture and recreation					
Debt Service:					
Principal					
Interest					
Capital outlay					
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures					
 OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets					
Transfers in					
Transfers out ⁽²⁾					
Total other financing sources (uses)					
 Net change in fund balances					
Fund balances - beginning ⁽¹⁾					
Fund Balances - ending ⁽¹⁾⁽²⁾					

Source: Compiled from Annual Comprehensive Financial Reports for the Fiscal Years 20[]-20[].

SELECTED INVESTMENT CONSIDERATIONS

Each purchaser of Series 20[] Certificates is subject to certain risks and each prospective purchaser of Series 20[] Certificates is encouraged to read this Offering Statement in its entirety. Particular attention should be given to the factors described below which, among others, could affect the market price of the Series 20[] Certificates to an extent that cannot be determined. [All to be updated]

Non-Appropriation by the City

THE LEASE PAYMENTS TO BE MADE BY THE CITY ARE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY AS PART OF ITS BUDGET PROCESS, and no assurance can be given that the City will make such an appropriation. If, for any Fiscal Year, the City enacts a budget in accordance with the Act which does not provide sufficient funds (after taking into account any amounts credited or available for credit for such purpose under the Lease Agreement) to continue making Lease Payments from Available Revenues in full for the next succeeding Renewal Lease Term for all Projects leased under the Master Lease beyond the end of the Initial Lease Term or the last Renewal Lease Term for which Lease Payments had been budgeted and appropriated such action shall constitute an Event of Non-Appropriation and the Lease Agreement shall terminate as of the last day of the then-current Initial Lease Term or Renewal Lease Term for all Projects leased under the Master Lease and the City shall not be obligated to make Lease Payments accruing or arising beyond such last day. If an Event of Non-Appropriation shall occur, the City will be required to peaceably vacate and return possession of the Projects subject to the Lease Agreement and related Land to the Trustee, as assignee of the Corporation, for the duration of the related Ground Lease terms. Although the City has indicated that it currently does not expect its need for the Projects [leased and]to be leased pursuant to the Lease Agreement to diminish during the Maximum Lease Term of all Leases, the City is not required to appropriate funds for Lease Payments. No assurance can be given that the City has or will have in the future sufficient funds to appropriate, or that an appropriation will be made, for the purpose of making Lease Payments under the Lease Agreement.

The likelihood that an Event of Non-Appropriation will occur, terminating the Lease Agreement, is dependent upon certain factors that are beyond the control of the Series 20[] Certificate Owners, including without limitation, the City's satisfaction with the plans and specifications for the Projects subject to the Lease Agreement, the City's satisfaction with the quality and timeliness of the construction of such Projects, the continuing future utility of such Projects, and the absence of certain force majeure events which impact the City's desire to continue to utilize such Projects. No assurance can be given that the Lease Agreement will not be terminated prior to the end of the Maximum Lease Term of the Series 20[] Lease.

As described under "TAX MATTERS," Special Counsel will express no opinion with respect to the federal income tax consequences of any payments received or to be received with respect to the Series 20[] Certificates following termination of the Series 20[] Lease as a result of an Event of Default or an Event of Non-Appropriation.

Limitation Upon Disposition; Ability to Re-Let

AS NOTED ELSEWHERE HEREIN, THE SERIES 20[] EXCLUDED COMPONENTS, CONSISTING OF THE SERIES 20[] ROADWAYS AND THE DESIGNATED EQUIPMENT IS NOT SUBJECT TO SURRENDER OR THE EXERCISE OF REMEDIES BY THE TRUSTEE AND THE CITY MAY NOT BE DISPOSSESSED OF THE SERIES 20[] EXCLUDED COMPONENTS.

The Trustee's ability to actually achieve any disposition of the Series 20[] Project, other than the Series 20[] Excluded Components upon the occurrence of certain Events of Default or an Event of Non-Appropriation under the Lease Agreement is limited by the nature of the Series 20[] Civic Facility. Moreover, it is possible that a court of competent jurisdiction could enjoin the re-letting or other disposition of the Trustee's interest in the Series 20[] Project, other than the Excluded Components (even if the City consents), because of the essential governmental nature thereof. No opinion will be given by Special Counsel or the City Attorney of the City as to the procedure required to be followed under State law to evict the City from the Series 20[] Civic Facility and related components of the Serie 20[] Project, other than the Series 20[] Excluded Components, by reason of an Event of Non-Appropriation or Event of Default under the Master Lease. Without limiting the generality of the foregoing, no assurances are given that a State court would not afford to the City rights similar to those of a mortgagor in a mortgage foreclosure proceeding or of a debtor under Chapter 679 of the Florida Statutes. Accordingly, there can be no assurance that the remedies available to the Trustee upon any termination of the Lease Agreement or upon certain Events of Default under the Master Lease that don't result in such termination and the resulting disposition of the Series 20[] Civic Facility and related components of the Serie 20[] Project, other than the Series 20[] Excluded Components, produce sufficient amounts to pay the outstanding Series 20[] Certificates. In no event may the City lose [title] to the Series 20[] Land.

[IF THE TRUSTEE EXERCISES REMEDIES WITH RESPECT TO THE PROJECTS UPON AN EVENT OF NON-APPROPRIATION OR UPON CERTAIN EVENTS OF DEFAULT UNDER THE MASTER LEASE, ONLY AMOUNTS, IF ANY, REALIZED FROM THE DISPOSITION OF THE PORTION OF THE SERIES 20[] PROJECT SUBJECT TO SURRENDER (WHICH EXCLUDES THE SERIES 20[] EXCLUDED COMPONENTS) WILL BE AVAILABLE TO MAKE LEASE PAYMENTS AND OTHER PAYMENTS DUE UNDER THE SERIES 20[] LEASE AND THE SERIES 20[] TRUST AGREEMENT WITH RESPECT TO THE SERIES 20[] CERTIFICATES.]

Applicability of Securities Laws

After termination of the Series 20[] Lease as a result of an Event of Non-Appropriation or an Event of Default under the Master Lease, the transfer of a Series 20[] Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and state securities laws. Accordingly, there is no assurance that liquidity of the Series 20[] Certificates will not be impaired following termination of the Series 20[] Lease as a result of an Event of Non-Appropriation or an Event of Default under the Master Lease.

Additional Indebtedness and Other Undertakings

The City has incurred, and may hereafter issue, indebtedness or enter into subject to annual appropriation lease arrangements which are secured by or payable from revenues of the City, which revenues would otherwise be available to the City to make Lease Payments without the consent of the Owners of the Series 20[] Certificates. Such indebtedness may adversely affect the City's ability to make Lease Payments under the Lease Agreement.

Legislative Initiatives and Economic Conditions

The amounts and availability of any of the City's non-ad valorem funds are subject to change, including reduction or elimination by change of State law, City ordinance or resolution or changes in the facts or circumstances according to which certain of the non-ad valorem funds of the City are allocated. In addition, the amount of certain non-ad valorem funds collected by or distributed to the City is directly related to the general economy of the City. Accordingly, adverse legislative changes or economic conditions could have a material adverse effect on the amount of non-ad valorem funds generally collected or received by the City in any Fiscal Year.

As described under "SOURCES OF AVAILABLE REVENUES—General—Ad Valorem Taxes," during recent years, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in the State legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the ad valorem tax receipts of the City.

It is impossible to predict what new proposals may be presented regarding sources of non-ad valorem revenues or ad valorem tax reform during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. A reduction in the City's ad valorem tax revenues may increase the need for the City to apply non-ad valorem revenues to fund essential public services and functions of the City. In that case, the non-ad valorem revenues available to the City to pay Basic Rent Payments could be reduced. In addition, no assurance can be given that, pursuant to action by the State legislature in the future, (i) changes will not be made to the statutes that give rise to certain of the sources of non-ad valorem revenues, (ii) such changes, if any, will not have a material adverse impact on the collection of affected sources of non-ad valorem revenues, or (iii) a repeal of such statutes will not be attempted and, if attempted, will not be successful. In such event, the non-ad valorem revenues available to the City to pay Basic Rent Payments could be reduced. See "SOURCES OF AVAILABLE REVENUES—Non-Ad Valorem Revenues."

Climate Change and Natural Disasters

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities such as the City. Such effects can be exacerbated by a longer term shift

in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a decrease in property values, a decline in revenue, and substantial recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the operations or financial condition of the City.

Cybersecurity Matters

The City, like many other governmental entities, relies on a technological environment to conduct its operations. The City, its agents and third parties with which it does business, or otherwise relies upon, are subject to cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage.

During the 2022 Florida Legislative session, CS/HB 7055 was passed which created Section 282.3185, Florida Statutes entitled the "Local Government Cybersecurity Act." Among other matters, Section 282.3185, Florida Statutes requires State agencies and local governments, such as the City, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center ("CSOC") and the Cybercrime Office within the Florida Department of Law Enforcement as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report to the sheriff. It also requires State agencies and local governments to submit after-action reports to FLDS following a cybersecurity or ransomware incident. Section 282.3185, Florida Statutes requires the CSOC to notify the Florida Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard the local government's data, information technology ("IT"), and IT resources. The effective date of CS/HB 7055 was July 1, 2022.

The City has made cybersecurity a priority by investing funds into personnel and technology in order to comply with current cybersecurity mandates and develop capabilities to react to emerging cybersecurity threats. The City uses a multi-layered approach to cybersecurity, also known as "defense in depth," which is a security strategy that uses multiple layers of protection to safeguard an organization's data and IT environment from cyber attacks. As part of the foregoing, the City Commission has approved an incident response plan, which it updates annually, to prepare the City to quickly and effectively contain a cyber threat while continuing its normal business operations. The City has also adopted cybersecurity standards to safeguard its data, IT and resources and ensure availability, confidentiality, and integrity. The cybersecurity standard is the National Institute of Standards and Technology Cybersecurity Framework 2.0 (NIST), as mandated by Section 282.3185, Florida Statutes.

There can be no assurance that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats

and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. No assurances can be given that any such attacks will not materially adversely impact the operations or financial condition of the City.

Infectious Disease Outbreaks

The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 had a disruptive financial impact on local, state and national economies around the country, including, without limitation, by fueling inflation and creating supply chain issues. The United States, the State, the County and the City have all previously imposed certain health and public safety restrictions in response to COVID-19, which have now been rescinded. However, another major outbreak of COVID-19 or an outbreak of another highly contagious or epidemic or pandemic disease may alter the future behavior of businesses and people in a manner which could have negative impacts on the global, United States, State and local economies. These impacts may, in turn, adversely affect the residents and businesses in the City and could have potential adverse impacts on the financial condition, performance and credit ratings of the City.

Additional Costs; Inflation; Supply Chain Issues

The Series 20[] Certificates will finance only a portion of the costs of the Series 20[] Project. In some instances, the construction cost estimates for Series 20[] Project components are based on preliminary design estimates for which for which construction bids have not yet been received. Unforeseen events could result in increases in construction costs and delays in completion of construction.

Senate Bill 674 (the “Senate Bill”) was signed into law by the Florida Governor and became effective on July 1, 2024. The Senate Bill requires governmental entities to include a requirement in certain contracts that certain iron or steel products be produced in the United States. Under the Senate Bill, capital projects that use state funds must use American made steel and iron products. The City may incur indeterminate costs in complying with the Senate Bill. The City does not expect such requirement to materially impact its Available Revenue.

The United States continues to experience high levels of inflation, which has on impact on the cost of goods, including construction material and goods needed by the City. As a result, the actual costs of the Series 20[] Project and other City capital projects may be significantly greater than current estimates. Additionally, the City has encountered adverse effects resulting from current supply chain issues, specifically related to delays in the delivery of goods and construction materials, which, in turn has a potential to delay or otherwise impact the completion of projects. It is not possible to predict with certainty the duration of the current high inflation and supply chain issues or their impact on the City.

SUITABILITY FOR INVESTMENT

Prospective investors in the Series 20[] Certificates should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 20[] Certificates and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. No dealer, broker,

salesman or other person has been authorized by the City, the Corporation or the Underwriter to give any information or make any representations, other than those contained in this Offering Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

TAX MATTERS

Opinion of Special Counsel

In the opinion of Special Counsel, as more fully described below, under existing law and assuming continuing compliance by the City and the Corporation with certain tax covenants, the Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, such Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates is included in the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinions of Special Counsel are subject to the condition that the City and the Corporation comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 20[] Certificates in order for the Interest Component of the Basic Rent Payments received by the Owners of the Series 20[] Certificates to be excludable from gross income for federal income tax purposes. Each of the City and the Corporation has covenanted to comply with such requirements.

Notwithstanding the foregoing, however, no opinions are expressed by Special Counsel with respect to the federal income tax consequences of any payments received or to be received with respect to the Series 20[] Certificates following termination of the Series 20[] Lease as a result of an Event of Default or an Event of Non-Appropriation

The scope of the foregoing opinions of Special Counsel is limited to matters addressed above and no opinion is expressed by Special Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 20[] Certificates. In rendering such opinions, Special Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact of the City and the Corporation with respect to matters affecting the excludability of interest on the Series 20[] Certificates from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the City and the Corporation with the applicable requirements of the Code as to such tax matters and certain procedures, agreements and covenants that must be met subsequent to the issuance of the Series 20[] Certificates in order that the Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates be and remain excludable from gross income for federal income tax purposes.

Special Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the City or the Corporation to comply with such requirements may cause the Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates to not be excludable from gross income for federal income tax purposes retroactively to the date of issuance of the Series 20[] Certificates irrespective of the date on which such noncompliance occurs or is ascertained.

Special Counsel's opinions set forth above are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Special Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of the Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates, even if such actions, inactions or changes come to Special Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinion of Special Counsel is only an opinion and not a warranty or guaranty of the matters discussed or of a particular result, and is not binding on the Internal Revenue Service (the "IRS") or the courts. See also "OTHER INFORMATION--Legal Matters" herein.

Prospective purchasers of the Series 20[] Certificates should also be aware that ownership of the Series 20[] Certificates may result in adverse tax consequences under the laws of various states and local jurisdictions. Special Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Series 20[] Certificates. Prospective purchasers of the Series 20[] Certificates should consult their tax advisors as to any state and local tax consequences to them of owning the Series 20[] Certificates.

Reference is made to the proposed form of the opinion of Special Counsel attached hereto as "APPENDIX A—Form of Special Counsel's Opinion" for the complete text thereof.

Certain Collateral Federal Income Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 20[] Certificates. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of any Series 20[] Certificates. Special Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 20[] Certificates.

Prospective purchasers of the Series 20[] Certificates should be aware that ownership of, receipt or accrual of interest on, or disposition of, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with "excess net passive income" and foreign corporations subject to the branch profits tax, individuals eligible to receive the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 20[] Certificates.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of the Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 20[] Certificates, under certain circumstances, will be subject to “backup withholding” with respect to payments on the Series 20[] Certificates and proceeds from the sale of the Series 20[] Certificates. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 20[] Certificates. This withholding generally applies if the owner of the Series 20[] Certificates (i) fails to furnish the paying agent (or other person who would otherwise be required to withhold tax from such payments) such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the paying agent or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding.

Prospective purchasers of the Series 20[] Certificates may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions.

Original Issue Premium

The Series 20[] Certificates maturing on January 1 in the years 20[] through and including 20[] (collectively, the “Premium Certificate[s]”) were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Certificate, based on the yield to maturity of that Premium Certificate (or, in the case of a Premium Certificate callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Certificate), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Certificate. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Certificate, the owner’s tax basis in the Premium Certificate is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Certificate for an amount equal to or less than the amount paid by the owner for that Premium Certificate. A purchaser of a Premium Certificate in the initial public offering at the price for that Premium Certificate who holds that Premium Certificate to maturity (or, in the case of a callable Premium Certificate, to its earlier call date that results in the lowest yield on that Premium Certificate) will realize no gain or loss upon the retirement of that Premium Certificate.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is

complicated. Purchasers of Premium Certificates should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange or other disposition of, Premium Certificates.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Certificates which are not purchased in the initial offering may be determined according to rules which differ from those described above.

Original Issue Discount

The Series 20[] Certificates maturing on January 1 in the years 20[] through and including 20[] (collectively, the “Discount Certificate[s]”) were sold at prices less than the stated principal amounts thereof. The difference between the principal amount of the Discount Certificates and price to the public, excluding underwriters and related parties thereto, at which price a substantial amount of such Discount Certificates of the same maturity was sold, is “original issue discount.” Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above as to stated interest on the Series 20[] Certificates. Such interest is taken into account for purposes of determining the alternative minimum tax liability, and other collateral tax consequences, although the owner of such Discount Certificates may not have received cash in such year. Original issue discount will accrue over the term of a Discount Certificate at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Certificate in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes to the same extent as interest payable on such Discount Certificate equal to the original issue discount accruing during the period such purchaser holds such Discount Certificate and will increase its adjusted basis in such Discount Certificate by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Certificate.

Purchasers of Discount Certificates should consult their own tax advisors regarding the treatment for federal income tax purposes of interest accrued upon sale, redemption or the disposition of Discount Certificates, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, accrual of discount on, sale, exchange or other disposition of, Discount Certificates.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Certificates which are not purchased in the initial offering may be determined according to rules which differ from those described above.

Miscellaneous

Special Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law or that otherwise become effective, will not cause the interest on the Series 20[] Certificates to be subject, directly or indirectly, to federal income taxation or otherwise prevent the Bondholders from realizing the full current benefit of

the tax status of the Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Series 20[] Certificates. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible that legislation could be introduced, including in the near term, that, if enacted or that otherwise becomes effective, could change the federal tax consequences of owning the Series 20[] Certificates and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Series 20[] Certificates are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Special Counsel expresses no view.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. No assurances can be given as to whether or not the IRS will open an audit of the Series 20[] Certificates to determine whether the interest thereon is includible in gross income for federal income tax purposes or as to whether the IRS would agree with the opinions of Special Counsel, as described herein. If the IRS opens an audit of the Series 20[] Certificates, under current IRS procedures, the IRS will treat the City as the taxpayer, and the Bondholders of the Series 20[] Certificates may have no right to participate. The Master Lease and the Master Trust Agreement do not require the City to redeem the Series 20[] Certificates or to pay any additional interest or penalty in the event the Interest Component of Basic Rent Payments received by the Owners of the Series 20[] Certificates becomes taxable.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Series 20[] Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Purchasers of the Series 20[] Certificates at other than their original issuance at the respective prices indicated on the inside cover of this Offering Statement should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 20[] CERTIFICATES AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE CERTIFICATE HOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE CERTIFICATE HOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

OTHER INFORMATION

[Ratings]

[] (“[]”) and [] (“[]”) have assigned an underlying rating of “[]” ([] outlook) and “[]” ([] outlook), respectively, to the Series 20[] Certificates. The ratings, if any, reflect only the view of the applicable organization providing the same at the time the ratings are given, and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings, if

any, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by an or all such organizations, if in the judgment of such organizations, circumstances so warrant. Any such downward revision or withdrawal of such ratings, if any, may have an adverse effect on the market price of the Series 20[] Certificates. [Add information about potential insured ratings if applicable.]

Underwriting

The Series 20[] Certificates are being purchased by [] (the “Underwriter”). The Underwriter has agreed to purchase the Series 20[] Certificates at an aggregate purchase price of \$[] (which purchase price represents the \$[] original principal amount of the Series 20[] Certificates, [plus] [less] [net] original issue [premium] [discount] of \$[] and less an Underwriter’s discount of \$[]). The Underwriter’s obligation to purchase the Series 20[] Certificates is subject to certain terms and conditions set forth in the purchase contract for the Series 20[] Certificates, the approval of certain legal matters by counsel and certain other conditions. The Underwriter is obligated to purchase all of the Series 20[] Certificates if any are purchased.

The Underwriter may offer and sell the Series 20[] Certificates to certain dealers, banks and others at prices lower than the public offering prices set forth on the inside cover page hereof. The offering prices of the Series 20[] Certificates may be changed from time to time by the Underwriter.

[The Underwriter and its affiliates are full service financial institutions engaged in various activities that may include securities sales and trading, commercial and investment banking, municipal advisory, brokerage and asset management, investment management, investment research, principal investment, hedging, market making, and other financial and non-financial activities and services. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and if applicable equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps) and the Underwriter and its affiliates may engage in transactions for its own accounts involving the securities and instruments made the subject of this offering or other offering of the City. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this offering or other offerings of the City, and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. The Underwriter does not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future.]

Municipal Advisor

PFM Financial Advisors LLC, Coral Gables, Florida, is serving as municipal advisor to the City with respect to the issuance and sale of the Series 20[] Certificates. The municipal advisor has advised the City in matters relating to the planning, structuring and issuance of the Series 20[] Certificates. The municipal advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Offering Statement.

PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

Litigation

The City is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, it is the opinion of the City Attorney and City staff that any ultimate liability in excess of applicable insurance coverage resulting therefrom will not materially adversely affect the financial position or results of operations of the City and its ability to make Lease Payments. At the closing of the Series 20[] Certificates, the City Attorney will render a legal opinion to the effect that, among other matters, there is no litigation or proceeding pending, or to its knowledge, threatened, challenging the creation, organization or existence of the City or the Corporation or the validity of the Series 20[] Certificates, the Master Lease or the Master Trust Agreement, or seeking to enjoin or restrain any of the transactions referred to therein or contemplated thereby.

Registration and Qualification of Series 20[] Certificates for Sale

The sale of the Series 20[] Certificates has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2), nor have the Series 20[] Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Series 20[] Certificates under the securities laws of any jurisdiction in which the Series 20[] Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 20[] Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

It should be noted that after termination of the Series 20[] Lease as a result of an Event of Non-Appropriation or an Event of Default under the Master Lease, the transfer of a Series 20[] Certificate may be subject to or conditioned upon compliance with the registration provisions of applicable federal and State securities laws. See “SELECTED INVESTMENT CONSIDERATIONS—Non-Appropriation by the City.”

Legal Matters

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 20[] Certificates are subject to the final approving opinion of Holland & Knight LLP, Fort Lauderdale, Florida, as Special Counsel, which is to be delivered at the time of the delivery of the Series 20[] Certificates. The proposed form of such opinion is attached hereto as APPENDIX A. Holland & Knight LLP, Fort Lauderdale, Florida, is also serving as Disclosure Counsel to the City. Certain legal matters in connection with the issuance of the Series 20[] Certificates will be passed upon for the City by Mark E. Berman, Esq., City Attorney. [], [] is serving as counsel to the Underwriter. Certain legal matters will be passed on for the Trustee by [].

The proposed text of the approving legal opinion of Special Counsel to be delivered concurrently with the delivery of the Series 20[] Certificates is set forth as APPENDIX A to this Offering Statement. The actual legal opinion to be delivered may vary from the text of

APPENDIX A, if necessary, to reflect facts and law on the date of delivery of the Series 20[] Certificates.

The legal opinions to be delivered by Special Counsel, Disclosure Counsel and the City Attorney, respectively, concurrently with the delivery of the Series 20[] Certificates are based on existing law and interpretations thereof as of the date such opinions are delivered, which are subject to change. Such legal opinions are further based on representations and covenants Special Counsel, Disclosure Counsel and the City Attorney, as applicable, deem relevant to such opinions. The attorneys giving legal opinions concurrently with the delivery of the Series 20[] Certificates assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective. Moreover, such opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent the applicable legal counsel's professional judgment based on its review of existing law and interpretations thereof, as of the date such opinions are delivered, and in reliance on the representations and covenants that it deems relevant to such opinions.

The legal opinions to be delivered concurrently with the delivery of the Series 20[] Certificates express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering legal opinions, the giver of the opinions does not become an insurer or guarantor of the result indicated by that expression of professional judgment of the transaction on which opinions are given or of the future performance of the parties to the transaction, nor does the giving of opinions guarantee the outcome of any legal dispute that may arise out of the transaction.

Certain of the fees of Special Counsel and Disclosure Counsel, and payment of the Underwriter's discount, are contingent upon the issuance of the Series 20[] Certificates.

The firm serving as Special Counsel and Disclosure Counsel may, from time to time, serve as counsel to the Underwriter in transactions unrelated to the Series 20[] Certificates. The Underwriter has not identified any additional potential or actual material conflicts arising from such representation that require disclosure.

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources, which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All the summaries of the statutes, documents and ordinances contained in this Offering Statement are made subject to all of the provisions of such statutes, documents and ordinances. The summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Continuing Disclosure of Information

The City will execute a Continuing Disclosure Certificate in the form attached as APPENDIX C for the benefit of the holders of the Series 20[] Certificates and agrees to provide certain financial information and operating data annually relating to the City commencing with the Fiscal Year ending September 30, 20[] and to provide notices of the

occurrence of certain enumerated events, if material. Such covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities Exchange Commission (the “Rule”). The specific nature of the matters to be provided is set forth in APPENDIX C. A failure by the City to comply with the requirements of the Continuing Disclosure Certificate will not constitute a default under the Series 20[] Trust Agreement or the Series 20[] Lease. In the event of a failure by the City to comply with any provision of the Continuing Disclosure Certificate, the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 20[] Certificates may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with such obligations. Digital Assurance Certification, L.L.C. is expected to serve as the initial dissemination agent in connection with the Continuing Disclosure Certificate.

Compliance with Prior Undertakings

The City has undertaken certain continuing disclosure obligations in prior continuing disclosure certificates relating to certain outstanding debt obligations and subject to annual appropriation leases of the City. Within the past five years, the City has been in compliance with all of its existing continuing disclosure obligations, in all material respects, however, to the extent certain of the Prior Undertakings require the City to file a material event notice upon incurring certain “financial obligations” if “material” (as such terms are defined in the applicable Prior Undertakings), the City filed one such notice 362 days late and a second notice 144 days late, in each case relating to a related subject to annual appropriation equipment lease financing. [To be updated]

Disclosure Required by Florida Blue Sky Regulations

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the City make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal and interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer such as industrial development bonds or private activity bonds issued on behalf of private businesses). The City is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

Forward-Looking Statements Disclaimer

The statements contained in this Offering Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Offering Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City’s actual results could differ materially from those discussed in such forward-looking statements. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by

third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Actual results could differ materially from those discussed in such forward-looking statements and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate.

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CITY OF POMPANO BEACH, FLORIDA

By: _____
Mayor

ATTEST:

By: _____
City Clerk

**POMPANO BEACH FINANCE
CORPORATION**

By: _____
President

ATTEST:

By: _____
Secretary

APPENDIX A
FORM OF SPECIAL COUNSEL'S OPINION

APPENDIX B

FORMS OF SERIES 20[] GROUND LEASE, SERIES 20[] LEASE AND SERIES 20[] TRUST AGREEMENT

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX D

**ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR
ENDING SEPTEMBER 30, 20[]**