

RESOLUTION NO. 17-147

MANATEE COUNTY, FLORIDA

SUPPLEMENTAL PUBLIC UTILITIES SYSTEM CROSS-OVER
REVENUE REFUNDING BOND RESOLUTION

AUTHORIZING THE ISSUANCE OF

NOT TO EXCEED
\$75,000,000

MANATEE COUNTY, FLORIDA
PUBLIC UTILITIES REVENUE REFUNDING BONDS, SERIES 2017

Adopted December 12, 2017

RESOLUTION NO. R-17-147

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AMENDING AND SUPPLEMENTING RESOLUTION NO. R-91-21, AS AMENDED AND SUPPLEMENTED (THE "ORIGINAL RESOLUTION"), FOR THE PURPOSE OF AUTHORIZING A SERIES OF PUBLIC UTILITIES REVENUE BONDS DESIGNATED AS PUBLIC UTILITIES REVENUE REFUNDING BONDS, SERIES 2017 IN THE AGGREGATE INITIAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$75,000,000 (THE "BONDS"), FOR THE PURPOSE OF ADVANCE REFUNDING, ON A CROSS-OVER BASIS, THE CALLABLE FEDERALLY TAXABLE – DIRECT PAYMENT – PUBLIC UTILITIES REVENUE IMPROVEMENT BUILD AMERICA BONDS, SERIES 2010A AND THE FEDERALLY TAXABLE – DIRECT PAYMENT – PUBLIC UTILITY REVENUE IMPROVEMENT RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS, SERIES 2010B (COLLECTIVELY, THE "REFUNDED BONDS") OF MANATEE COUNTY, FLORIDA; PROVIDING THE PARAMETERS BY WHICH THE FINAL TERMS AND OTHER DETAILS OF SUCH BONDS WILL BE ESTABLISHED; APPOINTING THE UNDERWRITERS; APPROVING THE FORM OF AND DELEGATING TO THE CHAIR OR ANY VICE CHAIR THE AUTHORITY TO EXECUTE AND DELIVER A PURCHASE CONTRACT TO BE USED FOR THE NEGOTIATED SALE OF THE BONDS; APPOINTING A PAYING AGENT AND REGISTRAR; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; APPOINTING AN ESCROW AGENT; AUTHORIZING THE REGISTRATION OF THE BONDS UNDER A BOOK-ENTRY SYSTEM; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE ELECTRONIC DISTRIBUTION THEREOF AND APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS AND PAYMENT FOR SAID BONDS; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF SAID BONDS; PROVIDING FOR THE UNDERTAKING BY THE COUNTY REQUIRED BY RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners (the "Board") of Manatee County, Florida (the "County"), did, on January 15, 1991, adopt Resolution No. R-91-21, as amended and supplemented (herein, collectively, the "Original Resolution"), for the purpose, among other things, of authorizing the creation of the Manatee County Public Utilities System (the "System") consisting of the County's existing Water and Sewer System, Stormwater Management System, and Solid Waste System (as such terms are defined in the Original Resolution); and

WHEREAS, any term not otherwise defined in this Resolution shall have the meaning ascribed to such term in the Original Resolution, except if such term is for application of Part I only of such Original Resolution; and

WHEREAS, on July 2, 1991, the System was created, and the 1991 Bonds, on and after such date, were secured solely from the Net Revenues of the System; and

WHEREAS, Part II, Section 4.H, of the Original Resolution provides that the County may issue pari passu additional Bonds if the conditions in such section are complied with; and

WHEREAS, the Board hereby finds that the conditions set forth in Part II, Section 4.H, of the Original Resolution, with respect to the issuance of pari passu additional Bonds, can be satisfied with respect to the issuance of the Series 2017 Bonds (herein defined); and

WHEREAS, on April 11, 1991, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Improvement Bonds, Series 1991 A, in the aggregate principal amount of \$44,685,000 (herein, the "Series 1991 A Bonds"); and

WHEREAS, on May 9, 1991, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 1991 B, in the aggregate principal amount of \$37,840,000 (herein, the "Series 1991 B Bonds"); and

WHEREAS, on July 2, 1991, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding and Improvement Bonds, Series 1991 C, in the initial aggregate principal amount of \$62,663,809.15 (herein, the "Series 1991 C Bonds"); and

WHEREAS, on July 9, 1992, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Bonds, Series 1992 A, in the aggregate principal amount of \$5,875,000 (herein, the "Series 1992 A Bonds"); and

WHEREAS, on October 13, 1993, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 1993 A, in the initial aggregate principal amount of \$51,152,343.50 (herein, the "Series 1993 A Bonds"); and

WHEREAS, on August 8, 2001, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 2001 A, in the aggregate principal amount of \$16,620,000 (herein, the "Series 2001 A Bonds") to pay and defease all of the Outstanding Series 1991 B Bonds and a portion of the Series 1991 C Bonds; and

WHEREAS, on October 1, 2003, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding and Improvement Bonds, Series 2003, in the initial aggregate principal amount of \$74,545,000 (herein, the "Series 2003 Bonds") to pay and defease a portion of the Series 1993 A Bonds;

WHEREAS, on April 22, 2015, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding and Improvement Bonds, Series 2015, in the aggregate principal amount of \$91,485,000 (the "Series 2015 Bonds") to pay and defease a portion of the Series 2006 Bonds; and

WHEREAS, on December 29, 2010, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A (the "Series 2010A Bonds") in the aggregate principal amount of \$17,925,000, and its Federally Taxable – Direct Payment – Public Utility Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the "Series 2010B Bonds") in the aggregate principal amount of \$45,300,000, its Public Utilities Revenue Improvement Bonds, Series 2010C (the "Series 2010C Bonds") in the aggregate principal amount of \$6,720,000 and its Taxable Public Utilities Revenue Improvement Bonds, Series 2010D (the "Series 2010D Bonds") in the aggregate principal amount of \$8,190,000; and

WHEREAS, on September 13, 2006, the County did, pursuant to the terms and provisions of the Original Resolution, issue its Public Utilities Revenue Bonds, Series 2006, in the aggregate principal amount of \$44,895,000 (herein, the "Series 2006 Bonds"); and

WHEREAS, on December 14, 2011, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 2011 in the aggregate principal amount of \$22,600,000 (herein, the "Series 2011 Bonds") to pay and defease a portion of the Series 2003 Bonds; and

WHEREAS, the Board hereby finds it to be in the best financial and economic interest of the County, and subject to achieving a net present value savings of not less than 3.00% (herein, the "Savings Threshold"), to advance refund, on a cross-over basis, the callable Series 2010A Bonds and all of the Series 2010B Bonds (collectively referred to as the "Refunded Bonds") by issuing, pursuant to the terms and provisions of this Resolution and the Original Resolution, its Public Utilities Revenue Refunding Bonds, in one Series, in an initial aggregate principal amount of not exceeding \$75,000,000 (the "Series 2017 Bonds"); and

WHEREAS, Rule 15c2-12 of the Securities and Exchange Commission (herein, the "Rule") provides that it is unlawful for a broker dealer or municipal securities dealer to purchase or sell municipal securities, which includes the Series 2017 Bonds, unless the issuer, which includes the County, has undertaken in a written agreement (herein, the "Undertaking") to provide to specified information repositories annual financial information and operating data relevant to the municipal securities and notice of certain specified material events; and

WHEREAS, the Board hereby determines to provide its Undertaking with respect to the Series 2017 Bonds in this Resolution; and

WHEREAS, the Series 2017 Bonds will be on parity with the Prior Bonds (as such term is defined herein), except as provided herein and in the Original Resolution; and

WHEREAS, the Original Resolution provides that certain details of the Series 2017 Bonds and certain other provisions shall be determined by subsequent proceedings of the Board,

which shall be deemed supplemental to the Original Resolution and evidenced by this Resolution; and

WHEREAS, the Board hereby determines the parameters by which the final terms and other details of the Series 2017 Bonds are to be established; and

WHEREAS, pursuant to Section 218.385, Florida Statutes, as amended and supplemented, an authorized officer of Wells Fargo Bank, National Association, as representative on behalf of itself, Citigroup Global Markets Inc. and Raymond James and Associates, Inc. (collectively, the "Underwriters"), plan to submit to the County a proposal within the parameters hereby determined in the form of a Purchase Contract (the "Purchase Contract"), between the Underwriters and the County, attached hereto as Exhibit A, to purchase the Series 2017 Bonds, a copy of which is hereby furnished to each of the County Commissioners; and

WHEREAS, based on the advice of the County's financial adviser as evidenced by its letter attached hereto as Exhibit D, the Board finds it in the best financial interest of the County to accept the Purchase Contract and to award the Bonds on a negotiated basis to the Underwriters if the terms thereof are within the parameters hereby established; and

WHEREAS, there have been prepared and submitted to the Board:

(a) a Purchase Contract, attached hereto as Exhibit A (herein, the "Purchase Contract"), pursuant to which the County will sell the Series 2017 Bonds to the Underwriters;

(b) a draft Preliminary Official Statement, attached hereto as Exhibit B;

(c) a form of Escrow Deposit Agreement, attached hereto as Exhibit C, pursuant to which the County will make certain deposits to pay interest on the Series 2017 Bonds until the Cross-Over Date (as herein defined) and then on such date pay and redeem the Refunded Bonds; and

(d) a letter from Public Resources Advisory Group, as the County's financial advisor (the "Financial Advisor") attached hereto as Exhibit D recommending the negotiated sale of the Series 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, AS FOLLOWS:

**ARTICLE I
STATUTORY AUTHORITY, DEFINITIONS, FINDINGS,
AND INCORPORATION BY REFERENCE.**

SECTION 1. AUTHORITY OF THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act and the terms and provisions of the Original Resolution.

SECTION 2. DEFINITIONS. In addition to certain terms heretofore defined in the recitals set forth above and terms not otherwise defined in Section 3 of the Introduction of the Original Resolution that have not been amended pursuant to this Section 2, except for such terms for application of Part I only of the Original Resolution, the following terms shall have the following meanings:

“BENEFICIAL OWNER” shall mean any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2017 Bonds (including persons holding Series 2017 Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Series 2017 Bonds for Federal income tax purposes.

“BOND COUNSEL” shall mean a firm or firms of nationally recognized attorneys-at-law selected by the County and experienced in the financing and refinancing of capital projects for governmental units through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103(a) of the Code.

“CROSS-OVER DATE” shall mean October 1, 2020, unless the Refunded Bonds are redeemed earlier because of an occurrence of an Extraordinary Event (as defined in Resolution No. R-10-238) and a determination by the County that the net present value savings as a result of such earlier redemption with respect to the Refunded Bonds is greater than the net present value savings with respect to the Refunded Bonds if the Refunded Bonds were redeemed on October 1, 2020 and therefore the Refunded Bonds should be subject to extraordinary optional redemption before October 1, 2020.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System (<http://www.emma.msrb.org>).

“ESCROW AGENT” shall mean U.S. Bank National Association.

“ESCROW DEPOSIT AGREEMENT” shall mean that certain escrow deposit agreement expected to be dated as of December 1, 2017 by and between the County and the Escrow Agent, substantially in the form attached hereto as Exhibit “C.”

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“REFUNDED BONDS” shall mean the callable outstanding Series 2010A Bonds and all of the outstanding Series 2010B Bonds.

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

- A. That the County now owns, operates and maintains the System.
- B. That the Net Revenues of the System are not pledged or encumbered on a first lien basis in any manner, except for the County’s Outstanding Series 2010A Bonds, its Outstanding Series 2010B Bonds, its Outstanding Series 2010C Bonds, its outstanding Series 2011 Bonds and its Outstanding Series 2015 Bonds (collectively, the “Prior Bonds”).

C. That the Board deems it necessary, desirable and in the best financial and economic interest of the citizens and residents of the County, subject to achieving the Savings Threshold, advance refund, on a cross-over basis, of the Refunded Bonds (the "Refunding Program").

D. That the Board hereby delegates to its financial advisor the authority to determine if the Savings Threshold has been achieved.

E. That the principal amount of the Series 2017 Bonds to be issued to finance the Refunding Program shall not exceed \$75,000,000 in initial aggregate principal amount.

F. That the principal of, and interest on the Series 2017 Bonds to be issued pursuant to this Resolution and the Original Resolution, and sinking fund payments provided for herein and in the Original Resolution will be paid from the Net Revenues, all as provided herein and in the Original Resolution and, prior to and including the Cross-Over Date, the interest on the Series 2017 Bonds will be secured by the moneys and securities on deposit under the Escrow Deposit Agreement; and the ad valorem taxing power of the County will never be necessary or authorized to pay the principal of, redemption premium, if any, and interest on the Series 2017 Bonds to be issued pursuant to this Resolution and the Original Resolution, or sinking fund payments provided for in this Resolution and the Original Resolution, and the Series 2017 Bonds issued pursuant to this Resolution shall not constitute a lien upon the System or upon any other property whatsoever of or in the County and shall not be an indebtedness of the County within the meaning of any Constitutional, statutory or other limitation of indebtedness, but shall be payable solely from the Net Revenues of the System and prior to the applicable Cross-Over Date, the Series 2017 Bonds will also be secured by the moneys and securities on deposit under the Escrow Deposit Agreement.

G. That the Net Revenues will be sufficient to pay the principal of, redemption premium, if any, and interest on the Prior Bonds and the Series 2017 Bonds to be issued pursuant to this Resolution and the Original Resolution, as the same become due and payable, and all sinking fund, and other payments and prior to the applicable Cross-Over Date, interest on the Series 2017 Bonds will also be secured by the moneys and securities on deposit under the Escrow Deposit Agreement.

H. That no Series 2017 Bonds authorized under this Resolution shall be issued unless and until the requirements set forth in Part II, Section 4.H, of the Original Resolution have been satisfied.

I. That the Series 2017 Bonds shall be issued in one Series.

SECTION 4. INCORPORATION BY REFERENCE. Unless otherwise provided herein, all the terms and provisions of the Original Resolution, other than the terms and provisions of the Original Resolution relating to Part I only, shall, by this reference, be incorporated herein as though fully set forth in this Resolution.

SECTION 5. RESOLUTION CONSTITUTES CONTRACT. In consideration of the acceptance of the Series 2017 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution and the Original Resolution shall be deemed to

be and shall constitute a contract between the County and such Owners and the covenants and agreements herein set forth to be performed by said County shall be for the equal benefit, protection and security of the Owners of any and all of such Series 2017 Bonds all of which shall be of equal rank and without preference, priority, or distinction of any of the Series 2017 Bonds over any other thereof except as expressly provided therein and herein.

ARTICLE II AUTHORIZATION OF BONDS AND BOND FORMS

SECTION 1. AUTHORIZATION OF BONDS AND PURPOSE. Subject and pursuant to the provisions of the Act, this Resolution and the Original Resolution, the County hereby authorizes a Series of Bonds to be issued pursuant to the terms and provisions of the Original Resolution and this Resolution to be known as “Public Utilities Revenue Refunding Bonds,” in the initial aggregate principal amount of not exceeding Seventy Five Million Dollars (\$75,000,000) (herein referred to as the “Series 2017 Bonds”), for the purpose of (i) financing the Refunding Program, but only if the Savings Threshold is achieved and (ii) paying the costs of issuing the Series 2017 Bonds.

SECTION 2. DESCRIPTION OF THE SERIES 2017 BONDS. The Series 2017 Bonds shall be dated the date of issuance, shall bear interest, payable on April 1, 2018 and semiannually thereafter on each October 1 and April 1 of each year, and shall mature on October 1 of each of the years as set forth in the Purchase Contract within the parameters set forth in this Resolution and in the amounts and at the rates so determined by the Underwriters; provided that the initial aggregate principal amount of the Series 2017 Bonds does not exceed \$75,000,000. The Series 2017 Bonds may be either Serial Bonds or Term Bonds or a combination thereof, provided that the last maturity of the Series 2017 Bonds is not later than October 1, 2035.

Unless determined otherwise at the time of pricing of the Series 2017 Bonds, the no-call period for any Bonds that are subject to optional redemption, shall not be later than October 1, 2030. If the Series 2017 Bonds are subject to optional redemption, the Series 2017 Bonds maturing on and after the determined no-call period, shall be redeemable at the option of the County from any legally available source, in whole at any time or in part, in any order of maturity selected by the County, and by lot within a maturity if less than an entire maturity is to be redeemed, on the first October 1 occurring after the expiration of the no-call period or at any time thereafter, without a redemption premium, together with accrued interest to the date fixed for redemption.

Notwithstanding the foregoing, if the County’s Underwriters and financial advisor, upon consultation with the Clerk, determine that market conditions require different or no optional redemption provisions for the Series 2017 Bonds or for certain maturities of the Series 2017 Bonds, such different optional redemption provisions or the exclusion of certain or all maturities of the Series 2017 Bonds from such optional redemption provisions will be deemed approved by the County upon the execution of the Purchase Contract so long as the maximum redemption premium does not exceed 2% and the first optional redemption period is not more than thirteen (13) years from the date of issuance of the Series 2017 Bonds if the Series 2017 Bonds are to be subject to optional redemption.

In the event that any of the Series 2017 Bonds are issued as Term Bonds, the County is hereby authorized to create and establish one or more special subaccounts in the Bond Redemption Account created and established under the Original Resolution for the purpose of providing for the mandatory sinking fund redemption of any Term Bonds in the amounts and at the times determined by the Underwriters within the parameters set forth in Section 6 below. A subaccount shall be created for each Term Bond and shall be distinguished from any other subaccount by designating the subaccount by the year of maturity of such Term Bond.

Notice of redemption of the Series 2017 Bonds shall be mailed, postage prepaid, by the Registrar (as herein defined) not less than thirty (30) days before the date fixed for redemption to the registered owners of the Series 2017 Bonds or portions of Series 2017 Bonds which are to be redeemed, at their addresses as they appear on the registration books kept by the Registrar fifteen (15) days prior to the date such notice is mailed.

Such notice of redemption shall set forth (i) the identification of the Series 2017 Bonds subject to redemption, (ii) the date fixed for redemption, (iii) the redemption price to be paid, (iv) that such Series 2017 Bonds will be redeemed at the designated corporate trust office of the Paying Agent (as herein defined), and the name, address and telephone number of a contact person, (v) if less than all of the Series 2017 Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2017 Bonds to be redeemed, and (vi) in the case of the Series 2017 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2017 Bond is to be redeemed in part only, the notice of redemption that relates to such Series 2017 Bond shall state also that on or after the redemption date, upon surrender of such Series 2017 Bond, a new Series 2017 Bond or Series 2017 Bonds and maturity, bearing interest at the same rate and in aggregate principal amount, equal to the unredeemed portion of such Series 2017 Bond, will be issued. Failure of the registered owner of any Series 2017 Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2017 Bonds for which proper notice has been given. Interest shall cease to accrue on any of the Series 2017 Bonds duly called for prior redemption if payment of the redemption price has been duly made or provided for.

The Registrar also shall mail (by certified mail, return receipt requested) a copy of such notice for receipt not less than the second Business Day prior to the date the notice of redemption is mailed to the registered Holders of the Series 2017 Bonds to the following: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 (or the most current address) or such other securities depository designated by the County; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2017 Bonds. The Registrar shall also provide notice, at the same time notice of redemption is given to the Bondholders, to any two (2) informational services; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2017 Bonds. The County, in its discretion, may direct the Registrar to provide a conditional notice of redemption.

A second notice of redemption shall be given sixty (60) days after the redemption date in the manner required above to the registered owners of redeemed Series 2017 Bonds which have not been presented for payment within thirty (30) days after the redemption date.

SECTION 3. APPOINTMENT OF PAYING AGENT, REGISTRAR AND ESCROW AGENT. That U.S. Bank National Association, having a designated corporate trust office in New York, New York is hereby appointed Paying Agent and Registrar for the Series 2017 Bonds. In addition, U.S. Bank National Association is hereby appointed Escrow Agent in connection with the advance refunding of the Refunded Bonds.

SECTION 4. DISCLOSURE STATEMENTS. That delivery of the completed required disclosures and truth in bonding statements in substantially the form attached to the Purchase Contract, by the Underwriters pursuant to Section 218.385, Florida Statutes, as amended and supplemented, shall be a condition precedent to the execution of the Purchase Contract by the County.

SECTION 5. APPOINTMENT OF UNDERWRITERS; NEGOTIATED SALE. That the County hereby appoints Wells Fargo Bank, National Association ("Wells"), Citigroup Global Markets Inc. and Raymond James and Associates, Inc., as the underwriters (the "Underwriters"). Wells is hereby appointed senior manager of the Underwriters. The County hereby adopts the recommendations of the County's financial advisor, as described in a letter from the County's financial advisor, dated on or before the sale of the Series 2017 Bonds and attached hereto as Exhibit D. The County hereby finds that, due to proposed changes in the tax law that once effective would prevent the County from implementing its Refunding Program, that it would be in the best interest of the County that the Series 2017 Bonds be sold on a negotiated basis in calendar year 2017.

SECTION 6. PURCHASE CONTRACT; AND PARAMETERS. That the form of Purchase Contract for the Series 2017 Bonds, between the County and the Underwriters, as submitted to this meeting by the Underwriters and attached hereto as Exhibit A, be and the same hereby is approved. Subject to the parameters set forth below, the Board hereby delegates to the Chair or any Vice Chair, in the absence of the Chair, the authority to approve the final terms and details of the Series 2017 Bonds and to execute the Purchase Contract on behalf of the County if such Purchase Contract accurately reflects such terms and details. Provided, however, that neither the Chair nor any Vice Chair shall take any action pursuant to this Section 6 unless the Chair or any Vice Chair and the County's financial advisor shall have received from the Underwriters such information as the Chair or any Vice Chair and the County's financial advisor shall deem necessary in order to demonstrate that (i) the par amount of the Series 2017 Bonds is not in excess of \$75,000,000, (ii) the true interest cost rate of the Series 2017 Bonds is not more than 4.00%, (iii) no rates, fees, or charges will be increased as a result of issuing the Series 2017 Bonds, (iv) the final maturity of the Series 2017 Bonds is not later than October 1, 2035, (v) the underwriting discount (exclusive of any original issue discount or original issue premium) is not greater than \$7.50 per thousand of the original principal amount of the Series 2017 Bonds, (vi) refunding the Refunded Bonds will produce a net present value savings of not less than 3.00%, and (vii) the completed disclosures required pursuant to Section 218.385, Florida Statutes have been delivered by the Underwriters. The final terms of the Series 2017 Bonds shall be reflected

in the final Official Statement, a copy of which shall be attached to this Resolution and entered into Board records.

SECTION 7. PRELIMINARY AND OFFICIAL STATEMENT. That the draft Preliminary Official Statement in substantially the form attached hereto as Exhibit B with such changes as shall be approved by the Chair of the Board or any Vice Chair of the Board and the County's Bond Counsel, be and the same is hereby approved, and the County hereby approves the use by the Underwriters of the Preliminary Official Statement in connection with the marketing of the Series 2017 Bonds, exclusively by means of electronic distribution. The County hereby approves the form of an Official Statement which shall be in substantially the same form as the Preliminary Official Statement but shall contain no permitted omissions. The County hereby approves the use by the Underwriters of the final Official Statement exclusively by means of electronic distribution in connection with the offering and sale of the Series 2017 Bonds, and the County hereby further approves the use by the Underwriters of any supplement or amendment to the Official Statement which is necessary so that the Official Statement does not include any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein not misleading. The Chair of the Board (or, in the absence of the Chair, any Vice Chair) is hereby authorized and directed to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of the County, and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters with such approval to be conclusively evidenced by the execution and delivery thereof by the County.

SECTION 8. BOOK-ENTRY SYSTEM. That the Board hereby determines that the registration of the Series 2017 Bonds be by the Book Entry System of registration. The Blanket Issuer Letter of Representations dated July 22, 1996, to evidence a Book Entry system of registration with respect to certain of the County's bonds and previously filed with The Depository Trust Company shall be applicable to the Series 2017 Bonds. The Chair of the Board, the Clerk of the Board or the Chief Financial Officer are each hereby authorized and directed to execute and deliver such other documents and certificates to evidence the Book-Entry system of registration for the Series 2017 Bonds.

SECTION 9. ESCROW DEPOSIT AGREEMENT. The form, terms and provisions of the Escrow Deposit Agreement between the County and the Escrow Agent, substantially in the form attached hereto as Exhibit C, as submitted to this meeting, be and the same are hereby approved and accepted. The Chair (or in the absence of the Chair, any Vice Chair) and the Clerk of the Board are hereby authorized and directed to execute and deliver the Escrow Deposit Agreement on behalf of the County in substantially the form submitted to this meeting, with such changes, insertions and deletions thereto as are necessary or desirable for carrying out the purposes thereof as may be approved by the Clerk and Bond Counsel to the County, the execution of said Escrow Deposit Agreement being conclusive evidence of such approval.

SECTION 10. FURTHER AUTHORIZATIONS; RATIFICATION OF PRIOR ACTS. That the Chair, any Vice Chair, the Clerk, the Director of Financial Management, the Chief Financial Officer, the County Attorney, and any other proper official of the County, be and each of them is hereby authorized and directed to execute and deliver any and all documents and

instruments, including, but not limited to, any paying agent and registrar agreement and the subscription for the purchase of United States Treasury Obligations – State and Local Government Series (“SLGs”) for deposit and application to effect the Refunding Program, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution. If the use of SGLs is not practical or available, the County intends to cause the Escrow Agent to purchase, on behalf of and for the benefit of the County, certain direct and general obligations of the United States of America, or those obligations which are unconditionally guaranteed as to the timely payment of principal and interest by the same, constituting Defeasance Obligations as defined in the Original Resolution, in a manner which Bond Counsel determines is required by applicable federal tax law, which shall include the necessity that a competitive bidding process be utilized. The Financial Advisor is hereby authorized to conduct such process for a bidding fee of not to exceed \$15,000. Such fee is separate and apart from the fees and expenses charged by the Financial Advisor under its existing services contract with the County. All actions heretofore taken and documents prepared or executed by or on behalf of the County by any of its authorized officers in connection with the transactions contemplated hereby are hereby ratified, confirmed, approved and adopted.

SECTION 11. REPEALER. That all resolutions or proceedings, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.

SECTION 12. FORM OF SERIES 2017 BONDS. The text of the Series 2017 Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable:

[Remainder of page intentionally left blank.]

FORM OF SERIES 2017 BONDS*

* The text of the Series 2017 Bonds shall be of substantially the tenor set forth below.

No. \$

UNITED STATES OF AMERICA
STATE OF FLORIDA
MANATEE COUNTY

PUBLIC UTILITIES REVENUE REFUNDING BOND,
SERIES 2017

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>DATED</u> <u>DATE</u>	<u>CUSIP</u>
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Registered Owner:-----CEDE & CO.-----

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that Manatee County, Florida (the "County"), for value received, hereby promises to pay, from the Net Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, as paying agent (said national banking association and any other bank or trust company becoming successor paying agent being herein called the "Paying Agent"), the Principal Amount stated hereon with interest thereon at the Interest Rate stated above, payable on the first day of October of each year commencing October 1, _____ until the County's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registration books of the County maintained by U.S. Bank National Association, as registrar (said national banking association, and any other bank or trust company becoming successor registrar being herein called the "Registrar") on the fifteenth day of the calendar month preceding each interest payment date or the fifteenth day prior to the date notice of redemption is given, whether or not such fifteenth day is a Saturday, Sunday or holiday (the "Record Date"); provided further, however, that payment of interest on the Series 2017 Bonds may, at the option of any Holder of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to the Holder to the bank account number on file with the Paying Agent as of the Record Date. Such interest shall be payable from the most recent interest payment date next preceding the date hereof to which interest has been paid, unless the date hereof is an April 1 or October 1 to which interest has been paid, in which case from such April 1 or October 1, or unless the date hereof is prior to April 1, 2018, in which case from _____, 20__, or unless the date hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date; provided, however, that if and to the extent there is

a default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the persons in whose name Bonds are registered on the registration books of the County maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent interest payment date established by notice mailed by the Registrar to the registered owner not less than the tenth day preceding such subsequent interest payment date. The Principal Amount and accrued interest thereon is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of Bonds of the County designated as its Manatee County Public Utilities Revenue Refunding Bonds, Series 2017 (herein called the "Bonds"), in the initial aggregate principal amount of \$_____ of like date, tenor, and effect, except as to number, date of maturity and interest rate, issued for the purpose of financing certain additions, extensions and improvements to the System (as such term is defined in the herein referred to Resolution) and to advance refund, on a cross-over basis, certain outstanding Public Utilities Revenue Bonds of the County under the authority of and in full compliance with the Act, and resolutions duly adopted by the Board of County Commissioners of Manatee County, Florida, on January 15, 1991, as amended and supplemented, and on December 12, 2017, as amended and supplemented (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. Terms and provisions of the Resolution relating to Part I only shall not be applicable to the Series 2017 Bonds. Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Resolution.

It is agreed between the County and the Holder of this Bond that this Bond and the obligation evidenced thereby shall not constitute a lien upon the County's System, or any part thereof, or on any other property of or in the County, but shall constitute a lien only on the Net Revenues derived from the operation of the County's System in the manner provided in the Resolution provided that the earnings on deposit under the Escrow Deposit Agreement will pay interest on the Series 2017 Bonds to and including the applicable Cross-Over Date (the "Additional Escrow Money.")

The lien of the Holders of the Series 2017 Bonds of the issue of which this Bond is one on the Net Revenues derived from the operation of the County's System shall rank equally with the lien on such Net Revenues of the County's Outstanding Prior Bonds and any pari passu additional obligations hereinafter issued by the County within the terms, restrictions and limitations contained in the Resolution. The Holders of the Series 2017 Bonds of the issue of which this Bond is one and of the Holders of the Prior Bonds and any pari passu additional obligations hereinafter issued by the County within the terms, restrictions, and limitations contained in the Resolution, shall jointly have a lien on the Net Revenues derived from the operation of the System, which lien shall be prior and superior to all other liens or encumbrances on such Net Revenues.

The County has covenanted in the Resolution that in each Fiscal Year it will fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and facilities of its System and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year, Net Revenues which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement (as defined in the Resolution)

for the Series 2017 Bonds, the Prior Bonds and any pari passu additional Bonds hereafter issued; and that such Net Revenues shall be sufficient to make all of the payments required by the terms of the Resolution, and that such rates, fees, rentals or other charges shall not be so reduced so as to be insufficient for such purposes. For purposes of the foregoing, Net Revenues shall include the Additional Escrow Money.

[INSERT REDEMPTION PROVISIONS]

Pari Passu Additional Bonds may be issued by the County from time to time upon the conditions and within the limitations and in the manner provided in the Resolution.

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

(1) The Registrar shall maintain the books of the County for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. The Series 2017 Bonds shall be transferable by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the County maintained by the Registrar and only upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name of the transferee a new Bond or Bonds.

(2) The County, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

(3) At the option of the registered owner thereof and upon surrender hereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney' and upon payment by such registered owner of any charges which the Registrar or the County may make as provided in the Resolution, the Series 2017 Bonds may be exchanged for Bonds of the same interest rate and maturity of any other authorized denominations.

(4) In all cases in which the privilege of exchanging Series 2017 Bonds or transferring Series 2017 Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to transfer or exchange Bonds during the period from and including the Record Date for an interest payment date to and including such interest payment

date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Bond so surrendered, a registered Bond in the appropriate denomination and interest rate.

This Bond shall not be valid or obligatory for any purpose until the certificate of authentication set forth hereon shall have been duly executed by the Registrar.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Bonds of which this Bond is one, is in full compliance with all constitutional or statutory limitations or provisions.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Manatee County, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Chair of the Board of County Commissioners of Manatee County, Florida, and the seal of the County to be affixed hereto or lithographed or imprinted or reproduced hereon, and attested by the manual or facsimile signature of the Clerk of Circuit Court of Manatee County, Florida, all as of the Dated Date.

MANATEE COUNTY, FLORIDA

(SEAL)

By: _____

Chair of the Board of County
Commissioners of Manatee County,
Florida

Angeline Colonnese, Clerk of the Circuit Court
and Comptroller

By: _____
Deputy Clerk

(FORM OF CERTIFICATE OF AUTHENTICATION)

Date of Authentication:

This Bond is one of the Series 2017 Bonds delivered pursuant to the within mentioned Resolution.

U.S. Bank National Association
as Registrar

By _____
Authorized Officer

ARTICLE III
APPLICATION OF 2017 BOND PROCEEDS AND ADDITIONAL COVENANTS.

SECTION 1. APPLICATION OF SERIES 2017 BOND PROCEEDS. All moneys received by the County from the sale of the Series 2017 Bonds authorized and issued pursuant to this Resolution, shall be disbursed as follows:

A. From the proceeds of the Series 2017 Bonds, an amount which shall be deposited pursuant to the terms of the Escrow Deposit Agreement, and such proceeds shall be held irrevocably in trust in the escrow deposit trust fund under the terms and provisions of such Escrow Deposit Agreement; such moneys shall be invested at the time of deposit in Defeasance Obligations, which are not callable prior to maturity except by the holder thereof, the principal and interest of which shall be sufficient to pay interest on the Series 2017 Bonds until the applicable Cross-Over Date and on such Cross-Over Date, sufficient to pay the principal on the Refunded Bonds as the same are redeemed on such date, as provided in the Escrow Deposit Agreement.

B. The balance of the net proceeds derived from the sale of the Series 2017 Bonds shall be deposited in a 2017 Cost of Issuance Cost Center hereby created within the Acquisition/Construction Fund which was created and established pursuant to the terms and provisions of the Original Resolution and continued hereunder, into which an amount shall be designated for the 2017 Cost of Issuance Cost Center sufficient to pay the costs of issuance of the Series 2017 Bonds. If, for any reason, the moneys allocated to the 2017 Cost of Issuance Cost Center is in excess of what is needed to pay the costs of issuance of the Series 2017 Bonds or upon certification of the Clerk that such surplus proceeds are not needed for the purposes of the 2017 Cost of Issuance Cost Center, then such surplus proceeds shall be applied in the following order:

First, to the Interest Account, Principal Account or Bond Redemption Account of the Sinking Fund, created and established pursuant to the terms and provisions of the Original Resolution, in the amounts determined by subsequent proceedings of the Board; and

Second, the balance, if any, to a special account created in Capital Improvement Fund, created and established pursuant to the terms and provisions of the Original Resolution, and used for any of the purposes enumerated in clauses (1) through (4) of Section 4.D.7 of Part II of the Original Resolution.

The proceeds of the sale of the Series 2017 Bonds shall be and constitute trust funds for the purposes hereinabove provided, and there is hereby created a lien upon such moneys, until so applied, in favor of the Holders of said 2017 Bonds, with respect to interest thereon to and including the applicable Cross-Over Date and on such Cross-Over Date in favor of the holders of the Refunded Bonds.

SECTION 2. COVENANTS OF THE COUNTY. The County hereby covenants as follows:

A. To comply with the terms and provisions of Part II, Section 4.H, of the Original Resolution, as evidenced by a certificate of the Clerk delivered to the Registrar prior to

the issuance of the Series 2017 Bonds. In addition, the County reaffirms and acknowledges that the covenants set forth in Part II, Section 4.A and 4.B, together with all other covenants applicable thereto, apply to the Series 2017 Bonds authorized to be issued pursuant to this Resolution.

The Revenue Fund, the Sinking Fund, the Rate Stabilization Fund and the Capital Improvement Fund, created and established under Part II of the Original Resolution, and the separate accounts therein shall be continued and maintained as provided in the Original Resolution as long as any of the Series 2017 Bonds, issued pursuant to the terms and provisions of the Original Resolution and this Resolution, are Outstanding; and the payments required to be made from the Revenue Fund into the Interest Account, Principal Account, Bond Redemption Account, and, to the extent not funded from the Series 2017 Bond proceeds shall be adjusted so as to provide the amounts necessary to pay the principal of and interest on each Series 2017 Bond issued pursuant to this Resolution, in the amounts, at the times and in the manner provided in the Original Resolution and this Resolution.

The County will continue to pay into the Capital Improvement Fund and Rate Stabilization Fund, if applicable, from the Revenue Fund as long as any of the Series 2017 Bonds issued pursuant to the terms and provisions of this Resolution and the Original Resolution, or interest thereon, are Outstanding and unpaid, the amounts required to be deposited therein pursuant to, and in the manner provided in, the Original Resolution and the moneys in the Rate Stabilization Fund, if any, and the Capital Improvement Fund shall be used only for the purposes provided for in the Original Resolution for such funds.

B. That in order to assist the initial purchasers of the Series 2017 Bonds with respect to compliance with the Rule, the County undertakes and agrees to provide the information described below to the persons so indicated. The County's Undertaking and agreement set forth in this Paragraph B shall be for the benefit of the registered owners and Beneficial Owners of the Series 2017 Bonds.

(1) The County undertakes and agrees to provide to the MSRB, through EMMA and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (i) the County's Public Utilities System's financial statements generally consistent with the financial statements presented in the official statement relating to the Series 2017 Bonds (herein the "Official Statement"), and (ii) update the information in the Official Statement concerning the County's Public Utilities System set forth in the tables entitled "Historic Growth of Water and Wastewater Divisions Services – Number of Meters" and "Single Family Residential Water and Wastewater Bills in County and Surrounding Areas" under the heading "THE WATER AND WASTEWATER DIVISION," the table entitled "Manatee County Solid Waste Tipping Fee Comparison" under the heading "THE SOLID WASTE DIVISION" and the table under the heading "HISTORIC OPERATING RESULTS OF SYSTEM" to the extent such information is not included in the County's Public Utilities System's purpose financial statements referred to in clause (i) above. The information referred to in clauses (i) and (ii) is herein collectively referred to as the "Annual Information."

(2) The Annual Information described in clause (i) of subparagraph 1 above in audited form (for as long as the County provides such financial information in audited

form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2018 for the fiscal year ending on the preceding September 30, 2017. The Annual Information referred to in clause (i) of subparagraph 1 above in unaudited form (if the audited financial statements are not available or if the County no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. The County also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Series 2017 Bonds who request such information and pays to the County its costs and reproduction and transmission of such Annual Information. The County agrees to provide to the MSRB, through EMMA and the SID, if any, timely notice of its failure to provide the Annual Information. Such notice shall also indicate the reason for such failure and when the County reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure.

(3) The Annual Information referred to in clause (i) of subparagraph 1 above and presented in the Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

(4) If, as authorized by subparagraph 6 below, the County's Undertaking with respect to subparagraph 1 above requires amending, the County undertakes and agrees that the Annual Information described in clause (i) of subparagraph 1 above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described in subparagraph 3 above. The County agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

(5) The County undertakes and agrees to provide to the MSRB, through EMMA, and to the SID, if any, within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)) notice of the occurrence of any of the following events with respect to the Series 2017 Bonds, if material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on any Debt Service Reserve Account reflecting financial difficulties;*

* Not applicable to the Bonds.

- (d) unscheduled draws on credit enhancements reflecting financial difficulties;^{*}
- (e) substitution of credit or liquidity providers, or their failure to perform;^{*}
- (f) adverse tax opinions or events affecting the tax-exempt status of the Series 2017 Bonds;
- (g) modifications to rights of Bondholders;
- (h) Series 2017 Bond calls (other than scheduled mandatory sinking fund redemptions);
- (i) defeasances of the Series 2017 Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2017 Bonds;
- (k) rating changes;
- (l) any failure on the part of the County to comply with its Undertaking;
- (m) tender offers;
- (n) the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;
- (o) bankruptcy, insolvency, receivership or similar event of the County or obligated person;
- (p) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (q) appointment of a successor or additional trustee or the change of name of a trustee, if material.

^{*} Not applicable to the Bonds.

Events described in clauses (a), (f), (i), (j), (k), (l), (m), (n) and (o) shall always be deemed material.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Series 2017 Bonds.

(6) Notwithstanding any other provision of this Resolution to the contrary regarding amendments or supplements, the County undertakes and agrees to amend and/or supplement this Section 3.B. (including the amendments referred to in subparagraph 4 above) only if:

- (a) The amendment or supplement is made only in connection with a change in circumstances existing at the time the Series 2017 Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule or (iv) a change in the nature of the County's operations or the activities that generate the Net Revenues.
- (b) The County's Undertaking, as amended, would have complied with the requirements of the Rule at the time the Series 2017 Bonds were originally issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Series 2017 Bonds as determined by Bond Counsel or by a majority of the registered owners of the Series 2017 Bonds.

In the event of an amendment or supplement under this Paragraph B, the County shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

(7) The County's Undertaking as set forth in this Paragraph B shall terminate if and when the Series 2017 Bonds are paid or deemed paid.

(8) The County acknowledges that its Undertaking pursuant to the Rule set forth in this Paragraph B is intended to be for the benefit of the registered holders and Beneficial Owners of the Series 2017 Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder, and any failure by the County to comply with the provisions of this Undertaking shall not be or constitute a covenant or monetary default with respect to the Series 2017 Bonds under this Resolution.

(9) The County reserves the right to satisfy its obligations under this Paragraph B through agents; and the County may appoint such agents without the necessity of amending this Resolution. The County may also appoint one or more employees of the County to monitor and be responsible for the County's Undertaking hereunder.

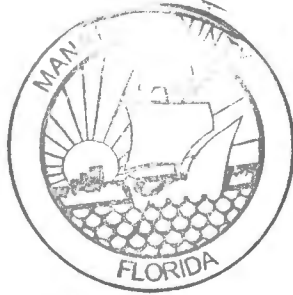
ARTICLE IV MISCELLANEOUS

SECTION 1. PRELIMINARY OFFICIAL STATEMENT. The County is hereby authorized to distribute a preliminary official statement (including by electronic means) in connection with the Series 2017 Bonds. Prior to such distribution, the Chair, or in the absence of the Chair, any other member of the Board or the Clerk, is hereby authorized to deem such preliminary official statement relating to the Series 2017 Bonds "final" within the meaning of the Rule as of its date, except for certain "permitted omissions" as defined therein.


SECTION 2. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions of this Resolution or of the Series 2017 Bonds.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect upon adoption.

ADOPTED this 12th day of December, 2017.



MANATEE COUNTY, FLORIDA

By: 
Chair of the Board of County
Commissioners of Manatee County,
Florida

Angeline Colonnese, Clerk of the Circuit Court
and Comptroller

By: 
Deputy Clerk

EXHIBIT A

FORM OF PURCHASE CONTRACT

EXHIBIT B

DRAFT OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT D

LETTER FROM COUNTY'S FINANCIAL ADVISOR

WPB/384115137v10/016705.014900

\$ _____
MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

December __, 2017

PURCHASE CONTRACT

Board of County Commissioners
of Manatee County, Florida
Bradenton, Florida

Ladies and Gentlemen:

Wells Fargo Bank, National Association (the "Representative"), acting on behalf of itself, Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), offers to enter into the following agreement (the "Purchase Contract") with Manatee County, Florida (the "County"), which, upon acceptance by the County of this offer, will be binding upon the County and upon the Underwriters. This offer is made subject to acceptance by the County on or before 5:00 p.m., Bradenton, Florida time, on the date hereof, and if not so accepted, will be subject to withdrawal by the Underwriters upon written notice to the County at any time prior to the acceptance hereof by the County. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Resolution or the Official Statement (each as defined herein).

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the County for offering to the public, and the County hereby agrees to sell and deliver to the Underwriters for such purpose, all (but not less than all) of the County's \$ _____ aggregate principal amount of Public Utilities Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"). The purchase price of the Series 2017 Bonds shall be \$ _____ (which is the par amount thereof, [plus net original issue premium] of \$ _____ and less Underwriters' discount of \$ _____).

The Series 2017 Bonds shall be as described in, and shall be issued and secured under the provisions of, Resolution No. R-91-21 adopted by the Board of County

Commissioners of the County (the "Board") on January 15, 1991, as amended and supplemented (the "Original Resolution"), including, in particular, as amended and supplemented by Resolution No. R-17-147, adopted by the Board on December 12, 2017 (the "Series 2017 Resolution" and together with Original Resolution, the "Resolution"). The Series 2017 Bonds shall mature on such dates and in such amounts and shall bear interest at such rates all as set forth in EXHIBIT A attached hereto.

Pursuant to the conditions set forth in the Series 2017 Resolution, the Representative confirms that the advance refunding, on a cross-over basis, of the Refunded Bonds (as defined below) with a portion of the proceeds of the Series 2017 Bonds will result in a net present value savings of _____% (net of an estimated \$_____ of Federal Direct payments).

The disclosure statement required by Section 218.385(6), Florida Statutes, is attached hereto as EXHIBIT B.

The truth-in-bonding statement required by Section 218.385(2), Florida Statutes, is as follows:

The Series 2017 Bonds are being issued by the County for the purposes of (a) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B currently outstanding in the principal amount of \$60,345,000 (the "Refunded Bonds"), and (b) paying costs of issuance. The Series 2017 Bonds are expected to be repaid over a period of approximately _____ years. At a true interest cost of approximately _____%, total interest to be paid over the life of the Series 2017 Bonds will equal approximately \$_____.

The Series 2017 Bonds will be limited to obligations of the County secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System as provided in the Resolution. Until (and including) the Cross-Over Date (as such term is defined in the Resolution), interest on the Series 2017 Bonds will be additionally secured by amounts deposited and interest earned thereon in the an escrow fund established pursuant to an Escrow Deposit Agreement, dated as of December 1, 2017, between U.S. Bank National Association, as escrow agent (the "Escrow Agent") and the County (the "Escrow Deposit Agreement"). Issuing the Series 2017 Bonds will result in approximately \$_____ annually in Net Revenues not being available to finance other services or facilities of the System each year for approximately _____ years.

The Representative has been duly authorized to execute this Purchase Contract and has been duly authorized to act hereunder on behalf of the Underwriters.

The County acknowledges and agrees that (i) the purchase and sale of the Series 2017 Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the County and the Underwriters; (ii) in connection with such transaction, the Underwriters are acting solely as principals and not as a municipal advisor, financial advisor, agent or fiduciary of the County; (iii) the Underwriters have not assumed any advisory or fiduciary responsibility in favor of the County with respect to the offering of the Series 2017 Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or are currently advising the County on other matters) nor have they assumed any other obligation to the County except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriters have financial and other interests that differ from those of the County; and (v) the County has consulted with its own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Series 2017 Bonds.

2. **Delivery of Preliminary Official Statement and Official Statement.**

Prior to the date hereof, the County has provided to the Underwriters, for their review, the Preliminary Official Statement of the County dated December __, 2017 relating to the Series 2017 Bonds (such Preliminary Official Statement including the cover page and all appendices thereto being herein called the "Preliminary Official Statement"). The County deemed the Preliminary Official Statement final as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule"), in connection with the marketing of the Series 2017 Bonds. The Underwriters have reviewed the Preliminary Official Statement prior to the execution of this Purchase Contract. The County shall cause to be delivered one final electronic copy to the Underwriters of the Official Statement, dated the date hereof (which, together with the cover page and appendices contained therein, is herein called the "Official Statement"), executed on behalf of the County by the Chair or any Vice-Chair, no later than the earlier of (i) seven (7) business days after the date of this Purchase Contract or (ii) one (1) business day prior to the Closing Date, in order to permit the Underwriters to comply with Rule 15c2-12 and applicable MSRB (hereinafter defined) Rules, with respect to distribution of the Official Statement. The County shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one (1) business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32. The County further agrees to provide the Underwriters with the advance refunding documents (as defined in MSRB Rule G-32) in a word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide such electronic copy of the word-searchable PDF format of the advance refunding documents to the Underwriters no later than four (4) business days after the Closing Date to enable the Underwriters to comply with MSRB Rule G-32. The Underwriters shall use electronic means to distribute the Official Statement and the County shall not pay any duplication

costs to reproduce the Preliminary Official Statement and Official Statement into paper copies in the event the Underwriters are required to do so under applicable law. The County, by its acceptance hereof ratifies the prior use of the Preliminary Official Statement by the Underwriters and approves and authorizes the Underwriters to use the Official Statement in connection with the public offering and the sale of the Series 2017 Bonds.

3. **Authority of the Underwriters.** The Underwriters are duly authorized to execute this Purchase Contract and shall have full authority to take such action as they may deem advisable with respect to all matters pertaining to this Purchase Contract. The Underwriters hereby represent to the County that they are registered under the Securities Exchange Act of 1934, as amended, as municipal securities dealers.

4. **Establishment of Issue Price.** (a) The Representative, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Series 2017 Bonds and shall execute and deliver to the County at Closing an "issue price" or similar certificate prepared by Bond Counsel, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as EXHIBIT C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the County and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2017 Bonds.

(b) [Except as otherwise set forth in EXHIBIT A attached hereto,] the County will treat the first price at which 10% of each maturity of the Series 2017 Bonds (the "10% test" is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Representative shall report to the County the price or prices at which the Underwriters have sold to the public each maturity of Series 2017 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2017 Bonds, the Representative agrees to promptly report to the County the prices at which Series 2017 Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or until all Series 2017 Bonds of that maturity have been sold to the public.

[(c) The Representative confirms that the Underwriters have offered the Series 2017 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in EXHIBIT A attached hereto, except as otherwise set forth therein. EXHIBIT A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2017 Bonds for which the 10% test has not been satisfied and for which the County and the Representative, on behalf of the Underwriters, agree that the restrictions

set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2017 Bonds, the Underwriters will neither offer nor sell unsold Series 2017 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2017 Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth (5th) business date after the sale date.

The Representative shall promptly advise the County when the Underwriters have sold 10% of that maturity of the Series 2017 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The County acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. Subject to compliance with the provisions of Section 4(d) below, the County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2017 Bonds.

- (d) The Representative confirms that:
 - (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2017 Bonds to the public, together with the related

pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2017 Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Series 2017 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2017 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2017 Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Series 2017 Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the public),

(iii) a purchaser of any of the Series 2017 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital

interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

5. **Security Deposit.** Upon execution of this Purchase Contract, the Representative shall deliver to the County a check for the amount of \$_____, which amount shall be at least 1% of the principal amount of the Series 2017 Bonds as stated on the cover of the Preliminary Official Statement. In the event the County does not accept this offer, such check shall be immediately returned to the Underwriters. If the offer made hereby is accepted, the County agrees to hold this check uncashed until the Closing (as defined herein) as security for the performance by the Underwriters of their obligation to accept and pay for the Series 2017 Bonds at the Closing, and in the event of its compliance with such obligations, such check shall be returned to the Underwriters at the Closing. In the event of failure by the County to deliver the Series 2017 Bonds at the Closing, or if the County shall be unable to satisfy the conditions of the Closing contained herein, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, such check shall be immediately returned to the Underwriters and such return shall constitute a full release and discharge of any claims the Underwriters may have against the County arising out of the transactions contemplated hereby. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2017 Bonds at the Closing as herein provided, such check shall be retained and cashed by the County as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and the County's collection and retention of such check shall constitute a full release and discharge of all claims by the County against the Underwriters arising out of the transactions contemplated hereby.

6. **County Representations, Warranties, Covenants and Agreements.** The County hereby represents and warrants to, and covenants and agrees with, the Underwriters as follows:

(a) The County is, and will be at the date of Closing, duly organized and validly existing as a political subdivision of the State of Florida, with the powers and authority set forth under Florida law.

(b) The County has full legal right, power and authority to: (i) enter into this Purchase Contract and the Escrow Deposit Agreement (collectively, the "County Documents"); (ii) adopt the Resolution; (iii) sell, issue and deliver the Series 2017 Bonds

to the Underwriters as provided herein; and (iv) carry out and consummate the transactions contemplated by the County Documents, the Series 2017 Resolution and the Preliminary Official Statement, and the County has complied, and at the Closing will be in compliance, in all respects with the obligations on its part in connection with the issuance of the Series 2017 Bonds contained in the Resolution, the Series 2017 Bonds, and the County Documents.

(c) At the time of delivery by the County to the Underwriters of the Official Statement and at the time of Closing, the statements and information contained in the Official Statement will be true, correct and complete in all material respects and the Official Statement will not omit any statement or information which should be included therein for the purposes for which the Official Statement is to be used or which is necessary to make the statements or information contained therein, in light of the circumstances under which they were made, not misleading (except with respect to information, if any, contained in the Official Statement supplied by The Depository Trust Company or the Underwriters as to which the County makes no representation and/or warranty).

(d) Except as disclosed in the Preliminary Official Statement, between the date of this Purchase Contract and the time of Closing, the County will not execute any bonds, notes or obligations for borrowed money, other than the Series 2017 Bonds, which pledge the Net Revenues of the County, without prior written notice to the Representative.

(e) The County has, by all necessary official action, duly adopted the Resolution, has duly authorized and approved the Official Statement and the use and distribution thereof by the Underwriters, has undertaken and agreed in the Series 2017 Resolution to provide continuing disclosure to the municipal marketplace in order to assist the Underwriters in complying with the requirements of Rule 15c2-12 (the "Undertaking"), and has duly authorized and approved the execution and delivery, and the performance by the County, of the County Documents and all other obligations on its part in connection with the issuance of the Series 2017 Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract in connection with the issuance of the Series 2017 Bonds. At the time of Closing, the Series 2017 Bonds, this Purchase Contract, the Resolution (including the Undertaking), and the Escrow Agreement will constitute legal, valid and binding obligations of the County, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(f) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Contract, the Series 2017 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special obligations of the County in conformity with Florida law and the Resolution, and shall be entitled to the benefits of the Resolution, including a lien on and

pledge of the Net Revenues, in accordance with the provisions of the Resolution, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity.

(g) The adoption of the Resolution and the authorization, execution and delivery of the County Documents and the Series 2017 Bonds, and compliance with the provisions hereof and thereof, will not, to the best of the County's knowledge, conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree, ordinance, resolution or any agreement or other instrument to which the County is subject nor to the best of the County's knowledge will such adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution.

(h) At the time of Closing, the County will be in compliance in all respects with the covenants and agreements contained in the Resolution applicable to the Series 2017 Bonds and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute an event of default under the Resolution will have occurred or be continuing.

(i) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations hereunder and under the Resolution have been obtained and are in full force and effect except for such approvals, consents and orders as may be required under "blue sky" or securities law or legal investment laws of any state in connection with the offering and sale of the Series 2017 Bonds or in connection with the registration of the Series 2017 Bonds under the federal securities laws.

(j) The County is lawfully empowered to pledge and grant a lien on the Net Revenues as provided in the Resolution for payment of the principal of, and interest on the Series 2017 Bonds and interest on the Series 2017 Bonds to and including the applicable Cross-Over Date as provided in the Escrow Deposit Agreement.

(k) Except as disclosed in the Preliminary Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of the County's knowledge, threatened against the County, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2017 Bonds, or the collection of the Net Revenues to pay the principal of, and interest on the Series 2017 Bonds, or the pledge of and lien on the Net Revenues or contesting or affecting as to the County the validity or

enforceability of Florida law in any respect relating to authorization for the issuance of the Series 2017 Bonds, the Resolution, or the County Documents, or contesting the exclusion from gross income of interest on the Series 2017 Bonds, or contesting the completeness or accuracy of the Preliminary Official Statement or any supplements or amendments thereto, or contesting the powers of the County or any authority for the issuance of the Series 2017 Bonds, the adoption of the Resolution, or the execution and delivery by the County of the County Documents.

(l) The audited financial statements relating to the County contained in the Preliminary Official Statement and to be contained in the Official Statement present fairly the financial position of the County at the dates indicated for the periods specified and have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects for the periods involved, except as otherwise stated in the notes thereto.

(m) Since September 30, 2016 there have been no material adverse changes in the financial position of the County, nor have any material liabilities relating to the County been incurred except as set forth in or contemplated by the Preliminary Official Statement.

(n) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (i) qualify the Series 2017 Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriters may designate, and (ii) determine the eligibility of the Series 2017 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2017 Bonds; provided, however, that the County shall not be required to execute a general or special consent to service of process, register as a broker/dealer or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(o) Except as expressly disclosed in the Preliminary Official Statement, to the best knowledge of the County, the County neither is nor has been in default at any time after December 31, 1975, as to principal or interest with respect to an obligation issued or guaranteed by the County.

(p) The County will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Series 2017 Bonds to be applied in a manner contrary to that provided for in the Resolution and as described in the Preliminary Official Statement.

(q) Any certificate signed by any official of the County and delivered to the Underwriters shall be deemed to be a representation by the County to the Underwriters as to the statements made therein.

(r) By certificate, as of its date, the Preliminary Official Statement was deemed "final" for purposes of the Rule, except for "permitted omissions" as therein defined by an official of the County who was heretofore authorized to make such certification.

(s) If, after the date of this Purchase Contract and until the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days following the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall notify the Underwriters thereof, and, if in the opinion of the Underwriters or the County, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its own expense (unless such amendment is deemed necessary because of information provided by a source the County assumed no responsibility for including, but not limited to, information provided by the Underwriters) forthwith prepare and furnish to the Underwriters a sufficient number of copies of such amendment or supplement (in form and substance satisfactory to County and the Underwriters) which will supplement or amend the Official Statement, so that the Official Statement will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading. For purpose of this paragraph (s), the end of the underwriting period shall be the Closing.

(t) If the Official Statement is supplemented or amended as provided herein, at the time of such supplement or amendment thereto, the Official Statement, as so supplemented or amended, will not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Between the date hereof and the Closing, the County will not supplement or amend the Resolution, this Purchase Contract, or the Official Statement without the prior consent of the Representative.

(u) The representations, warranties and agreements of the County contained herein shall be true and correct, complied with as of the date hereof and as of the date of the Closing, as if made on the date of the Closing.

(v) The County has never failed to materially comply with any agreement to provide continuing disclosure information within the last five (5) years pursuant to the Rule.

(w) The County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

7. **The Closing.** At 11:00 A.M., Bradenton, Florida time, on December __, 2017, or at such time on such earlier or later date as shall be mutually agreed upon by the County and the Underwriters (the "Closing Date"), the County will deliver to the account of the Underwriters, via the Fast Automated Securities Transfer Program of registration through the DTC, the Series 2017 Bonds in book-entry only form duly executed, together with the other documents herein required; and the Underwriters will accept such delivery and pay, at such location as may be agreed upon by the County and the Underwriters, the purchase price of the Series 2017 Bonds as set forth in Section 1 hereof, by immediately available funds, payable to the order of the County. This delivery and payment is herein called the "Closing." The Series 2017 Bonds shall be made available to the Underwriters at least two days before the Closing for purposes of inspection.

8. **Closing Conditions.** The Underwriters have entered into this Purchase Contract in reliance upon the representations, covenants, warranties and agreements of the County herein contained and the performance by the County of its obligations hereunder, both as of the date hereof and as of the time of Closing. The obligations of the Underwriters under this Purchase Contract are and shall be subject to the following conditions:

(a) The representations, covenants, warranties and agreements of the County contained herein shall be true and correct and complied with as of the date hereof and as of the date of the Closing, as if made on the date of the Closing.

(b) At the time of the Closing, the Resolution (including the Undertaking set forth in the Series 2017 Resolution) shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except to the extent that such amendments or supplements have been agreed to by the Underwriters.

(c) At the time of Closing, all official action of the County relating to the County Documents, the Official Statement and the Series 2017 Bonds shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Underwriters.

(d) The Underwriters shall have the right to cancel the agreement contained herein to purchase, to accept delivery of and to pay for the Series 2017 Bonds by notifying the County in writing of their intention to do so if:

(i) between the date hereof and the Closing, legislation shall have been enacted by the Congress of the United States of America, or a bill introduced (by amendment or otherwise), or recommended to the Congress for passage by the President of the United States of America, or favorably reported for passage to either House of Congress by any Committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States of America or the United States Tax Court, or a ruling shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received on obligations of the general character of the Series 2017 Bonds, which, in the opinion of Counsel for the Underwriters or Bond Counsel, has, or will have, the effect of making such interest included in gross income of the holders thereof for purposes of federal income taxation, or

(ii) between the date hereof and the Closing, legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of Counsel for the Underwriters, has the effect of requiring the contemplated issuance or distribution of the Series 2017 Bonds to be registered under the Securities Act of 1933, as amended, or of requiring the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, or

(iii) an event described in Section 6(s) hereof shall have occurred which requires an amendment or supplement to the Official Statement and which, in the opinion of the Representative, adversely affects the marketability of the Series 2017 Bonds or the market price thereof, or

(iv) (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or (B) a general banking moratorium shall have been established by Federal, New York or Florida authorities, or (C) there shall have occurred any outbreak of new hostilities or any new national or international crisis or calamity, the effect of such outbreak, crisis or calamity being such as could cause a material disruption in the municipal bond market, and in the reasonable opinion of the Representative, any such event enumerated in (A) through (C) hereof adversely affects the marketability of the Series 2017 Bonds or the market price thereof, or

(v) an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Series 2017 Bonds as contemplated hereby or by the Official Statement or prohibiting the adoption or performance of the Resolution, or

(vi) the County has, without prior written notice to the Representative, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, other than as described in the Official Statement, in either case payable from the Net Revenues, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the County, or

(vii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2017 Bonds or in any way contesting or affecting any authority for or the validity of the Series 2017 Bonds, the County Documents, the security and sources of payment of the Series 2017 Bonds, or any of the proceedings of the County taken with respect to the issuance or sale of the Series 2017 Bonds or the execution or performance of the County Documents, or

(viii) the President of the United States of America, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States of America or the State of Florida shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Underwriters, materially adversely affects the market price of the Series 2017 Bonds or causes any material information in the Official Statement, in light of the circumstances under which it appears, to be misleading in any material respect, or

(ix) any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States of America or the State of Florida or the State of New York, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of Florida or the State of New York shall be rendered which, in the reasonable judgment of the Underwriters, materially adversely affects the market price of the Series 2017 Bonds or causes any information in the Official Statement to be misleading in any material respect, or

(x) the County or the Underwriters shall be informed that the Series 2017 Bonds shall not be rated at least "____" by Moody's Investors Service, Inc. ("Moody's") or at least "____" by Fitch Ratings, Inc. ("Fitch").

(e) At or prior to the date of the Closing, the Underwriters shall receive the following documents:

(i) The Official Statement and any supplements, amendments or modifications, if any, thereto, fully executed on behalf of the County by the Chair or Vice-Chair and conformed copies of the Official Statement sufficient to satisfy the requirements of Section 2 hereof and Municipal Services Rulemaking Board Rule G-32.

(ii) The Resolution certified by the Clerk of the Board of County Commissioners under seal as having been duly adopted by the County and as being in effect, with such supplements, modifications or amendments as may have been agreed to by the Representative.

(iii) A final approving opinion of Greenberg Traurig, P.A., Bond Counsel to the County, addressed to the County, dated the date of the Closing, in substantially the form included in the Official Statement as APPENDIX D.

(iv) A letter of Greenberg Traurig, P.A., Bond Counsel to the County, addressed to the Underwriters, and dated the date of Closing, to the effect that their final approving opinion referred to in Section 8(e)(iii) hereof may be relied upon by such parties to the same extent as if such opinion were addressed to such parties.

(v) An opinion of Greenberg Traurig, P.A., Bond Counsel to the County, addressed to the County and the Underwriters, and dated the date of Closing, to the effect that (A) the information set forth in the Official Statement under the headings "INTRODUCTION" (other than the information set forth under the subheading "The County" and "Additional Information"), "PLAN OF REFUNDING," "DESCRIPTION OF THE SERIES 2017 BONDS" (other than the information set forth under the subheading "Book-Entry-Only System"), "SECURITY FOR THE SERIES 2017 BONDS," "TAX MATTERS," "ENFORCEABILITY OF REMEDIES," "CONTINUING DISCLOSURE (other than the first sentence under such heading)," and "AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT," and in APPENDIX C thereto insofar as such information purports to be descriptions or summaries of the Resolution, the Series 2017 Bonds and the Constitution and laws of the State of Florida and federal tax law, are correct as to matters of law and, to the extent indicated therein, accurate and fair statements or summaries of the matters set forth or documents referred to therein, (B) the Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use thereof by the Underwriters, (C) the County Documents have been duly authorized, executed and delivered by, and assuming the due authorization and delivery by the other parties thereto, constitute legal, valid and binding agreements of the County in accordance with their terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws

affecting creditors' rights generally and subject, as to enforceability, to general principles of equity and the exercise of judicial discretion, (D) the Series 2017 Bonds are exempt from registration under the Securities Act of 1933, as amended, and it is not necessary in connection with the sale of the Series 2017 Bonds to the public to register the Series 2017 Bonds under the Securities Act of 1933, as amended, (E) the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (F) the County is authorized to and has lawfully pledged to the payment of the Series 2017 Bonds the Net Revenues as provided in the Resolution.

(vi) An opinion of Mitchell "Mickey" Palmer, Esquire, County Attorney, or an Assistant County Attorney, addressed to the County, Bond Counsel and the Underwriters, and dated the date of the Closing, to the effect that (A) the County is a political subdivision of the State of Florida, duly organized and validly existing and has full legal right, power and authority to adopt and perform its obligations under the Resolution (including the Undertaking), and to authorize, execute and deliver and to perform its obligations under the County Documents, (B) the County has duly adopted the Resolution, and has duly authorized, executed and delivered the County Documents, and assuming the due authorization, execution and delivery of the County Documents by the other parties thereto, the Resolution and County Documents each constitute legal, binding and valid obligations of the County, enforceable in accordance with their terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity and the exercise of judicial discretion, (C) to the best of his knowledge, with respect to the information in the Official Statement and based upon his participation in the preparation of the Official Statement as County Attorney (or Assistant County Attorney) and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, he has no reason to believe that the Official Statement (except for the financial and statistical data contained therein and except for information provided by The Depository Trust Company and the Underwriters, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, (D) the use of the Preliminary Official Statement by the Underwriters for the purpose of offering the Series 2017 Bonds has been duly authorized or ratified by the County, (E) the Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use and distribution thereof by the Underwriters, (F) the adoption of the Resolution and the authorization, execution and delivery of the County Documents and the Series 2017 Bonds, and compliance with the provisions hereof and thereof, will not conflict with, or constitute a material breach of or material

default under, any law, administrative regulation, or to the best of his knowledge after due inquiry, any consent decree, ordinance, resolution or any agreement or other instrument to which the County is subject nor will such enactment, adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution, (G) all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would currently constitute a condition precedent to the performance by the County of its obligations hereunder and under the Resolution have been obtained and are in full force and effect, (H) the County is lawfully empowered to pledge and grant a lien on the Net Revenues as provided in the Resolution for payment of the principal of, and interest on the Series 2017 Bonds, and (I) except as disclosed in the Official Statement, to the best of his knowledge after due inquiry, as of the date of his opinion, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of his knowledge, threatened against the County, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2017 Bonds or the collection of the Net Revenues to pay the principal of, and interest on the Series 2017 Bonds, or contesting or affecting as to the County the validity or enforceability of any applicable Florida law in any respect relating to authorization for the issuance of the Series 2017 Bonds, the Resolution, the County Documents, or contesting the tax-exempt status of interest on the Series 2017 Bonds, or contesting the completeness or accuracy of the Official Statement or any supplements or amendments thereto, or contesting the powers of the County or any authority for the issuance of the Series 2017 Bonds, the adoption of the Resolution, or the execution and delivery by the County of the County Documents; notwithstanding the foregoing, the County Attorney or Assistant County Attorney shall not be required to pass upon the applicability of any approvals, consents and orders as may be required under "blue sky" or securities laws or legal investment laws of any state in connection with the offering and sale of the Series 2017 Bonds or in connection with the registration of the Series 2017 Bonds or the qualification of the Resolution under the federal securities laws.

(vii) A certificate, which shall be true and correct at the time of Closing, signed by the Chair or Vice-Chair, or such other officials satisfactory to the Underwriters, and in form and substance satisfactory to the Underwriters, to the effect that (A) the representations, warranties and covenants of the County contained herein are true and correct to the best of his or her knowledge and belief in all material respects and are complied with as of the time of Closing, and (B) the Chair or the Vice-Chair has no knowledge or reason to believe that the

Official Statement as of its date, and as of the date of Closing, other than the information, if any, provided by the Underwriters and The Depository Trust Company, contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

(viii) An opinion of Nabors, Giblin & Nickerson, P.A., Counsel to the Underwriters, addressed to the Underwriters, and dated the date of Closing, in form and substance satisfactory to the Underwriters.

(ix) A certificate of an authorized representative of U.S. Bank National Association (the "Bank"), as Registrar, Paying Agent and Escrow Agent, to the effect that (A) the Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of Florida, (B) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution and the Escrow Deposit Agreement, as applicable, (C) the performance by the Bank of its functions under the Resolution and the Escrow Deposit Agreement will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Resolution and the Escrow Deposit Agreement, as applicable, (D) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Resolution and the Escrow Deposit Agreement, as applicable, and (E) the Series 2017 Bonds have been authenticated in accordance with the terms of the Resolution.

(x) A letter of Moody's to the effect that the Series 2017 Bonds have been assigned a rating of "___" or better and a letter of Fitch to the effect that the Series 2017 Bonds have been assigned a rating of "___," or better each of which ratings shall be in effect as of the date of Closing.

(xi) A certificate of an appropriate official of the County deeming the Preliminary Official Statement "final" as of its date for purposes of Rule 15c2-12, except for permitted omissions.

(xii) Verification by a nationally recognized firm of certified public accountants acceptable to the Underwriters, the County and Bond Counsel as to the accuracy of the cash sufficiency calculation of the escrow account with respect to interest on the Series 2017 Bonds and principal on the Refunded Bonds payable on October 1, 2020.

(xiii) An executed copy of the Escrow Deposit Agreement by and between the County and the Escrow Agent.

(xiv) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy as of the date hereof and as of the date of the Closing of the County's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the date of Closing of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents described above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2017 Bonds contained in this Purchase Contract and the Underwriters do not waive such inability in writing, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2017 Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the respective obligations of the County and the Underwriters set forth in Sections 5 and 9 hereof shall continue in full force and effect.

9. **Expenses.** The Underwriters shall be under no obligation to pay, and the County shall pay, any expense incident to the performance of the County's obligations hereunder including, but not limited to: (a) the cost of preparation and electronic delivery of the Preliminary Official Statement and Official Statement, and any supplement and amendments thereto (except as otherwise provided in Section 6(s) hereof); (b) the cost of preparation and printing of the Series 2017 Bonds, if any; (c) the fees and disbursements of Bond Counsel and the County Attorney; (d) the fees and disbursements of the Financial Advisor to the County; (e) the fees and disbursements of any accountants and

other experts, consultants or advisors retained by the County; (f) fees for bond ratings; and (g) the fees and expenses of the Registrar, the Paying Agent and the Escrow Agent; and (h) any expenses (included in the expense component of the Underwriters' discount) incurred by the Underwriters on behalf of the County in connection with the marketing, issuance and delivery of the Series 2017 Bonds, including, but not limited to, meals, transportation, lodging, and entertainment of the County's employees and representatives.

The Underwriters shall pay: (a) the cost of preparing, printing and delivery of this Purchase Contract; (b) the cost of all "blue sky" and legal investment memoranda, if any, and related filing fees; (c) all advertising expenses; and (d) all other expenses incurred by it in connection with the public offering of the Series 2017 Bonds, including the fees and disbursements of Underwriters' Counsel. In the event that either party shall have paid obligations of the other as set forth in this Section 9, adjustment shall be made at the time of the Closing.

10. **Notices.** Any notice or other communication to be given to the County under this Purchase Contract may be given by mailing the same to the Clerk of the Board of County Commissioners, Manatee County Courthouse, Bradenton, Florida 34205, attention: Angelina "Angel" Colonnese, and any such notice or other communication to be given to the Underwriters may be mailed to the Representative, Wells Fargo Bank, National Association, 2363 Gulf-to-Bay Blvd, Suite 200, Clearwater, FL 33765, Attention: David Thornton, Managing Director.

11. **Parties in Interest.** This Purchase Contract is made solely for the benefit of the County and the Underwriters and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect and shall survive the delivery of the Series 2017 Bonds.

12. **Waiver.** Notwithstanding any provision herein to the contrary, the performance of any of the obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived in writing by the Underwriters, in their sole discretion, and the approval of the Underwriters when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Representative and delivered to the County.

13. **No Liability.** Neither the Board of County Commissioners nor any of the members thereof, nor any officer, agent or employee thereof, shall be charged personally by the Underwriters with any liability, or held liable to the Underwriters under any term or provision of this Purchase Contract because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

14. **Counterparts.** This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

15. **Governing Law.** This Purchase Contract, and the terms and conditions herein, shall constitute the full and complete agreement between the County and the Underwriters with respect to the purchase and sale of the Series 2017 Bonds. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

[SIGNATURE PAGE TO PURCHASE CONTRACT]

WITNESS the due execution hereof on the date first above written in Manatee County, Florida.

WELLS FARGO BANK, NATIONAL ASSOCIATION, on behalf of itself and as representative of the Underwriters named herein.

By: _____
David R. Thornton, Managing Director

[SIGNATURE PAGE TO PURCHASE CONTRACT]

Accepted this ____ day of December, 2017

MANATEE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
Chair

Angelina Colonnese, Clerk of the Circuit
Court and Comptroller

By: _____
Deputy Clerk

EXHIBIT A

PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND PRICES

\$_____ Series 2017 Bonds

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				

*Yield and price shown to first optional redemption date of October 1, _____.

[**Denotes "Hold-the-Offering Price Maturities", all other maturities are "General Rule Maturities" as such terms are defined in Exhibit C to this Purchase Agreement.]

Redemption Provisions

The Series 2017 Bonds maturing on or prior to October 1, _____ shall not be redeemable prior to their stated dates of maturity. The Series 2017 Bonds maturing after October 1, _____ shall be redeemable at the option of the County from any legally available source, in whole or in part, in any order of maturity selected by the County, and by lot within a maturity if less than an entire maturity is to be redeemed, on [_____ 1, _____,] or at any time thereafter, at an initial redemption price of not greater than 100%, together with accrued interest to the date fixed for redemption.

The Series 2017 Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on October 1, ____, and on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
-------------	-----------------------------

*Final Maturity

EXHIBIT B

\$ _____
MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

DISCLOSURE STATEMENT

December __, 2017

Board of County Commissioners
of Manatee County, Florida
Bradenton, Florida

Ladies and Gentlemen:

In connection with the proposed issuance by Manatee County, Florida (the "County") of the obligations described above (the "Series 2017 Bonds"), Wells Fargo Bank, National Association (the "Representative"), acting on behalf of itself, Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), has agreed to underwrite a public offering of the Series 2017 Bonds. Arrangement for underwriting the Series 2017 Bonds will include the execution of a Purchase Contract between the County and the Representative.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, certain information in respect to the arrangement contemplated for the underwriting of the Series 2017 Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters and paid by the Underwriters in connection with the purchase and reoffering of the Series 2017 Bonds are set forth on Schedule I attached hereto.

(b) Other than as disclosed below, there are no "finders," as that term is defined in Section 218.386(1)(a), Florida Statutes, connected with the issuance of the Series 2017 Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

	<u>Per \$1,000 Bond</u>
Average Takedown	\$
Expenses (including the fees and expenses of Underwriters' Counsel)	
Total Underwriting Spread	\$

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Series 2017 Bonds to any person not regularly employed or retained by the Underwriters (including any "finders" as defined in Section 218.386(1)(a), Florida Statutes) other than Underwriters' Counsel as described in Schedule I hereto.

(e) The names and addresses of the Underwriters are set forth below:

Wells Fargo Bank, National Association
2363 Gulf-to-Bay Blvd, Suite 200
Clearwater, Florida 33765

Citigroup Global Markets Inc.
100 North Tampa Street, Suite 3750
Tampa, Florida 33602

Raymond James & Associates, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

Yours very truly,

WELLS FARGO BANK, NATIONAL ASSOCIATION, on behalf of itself and as representative of the Underwriters named in the Purchase Contract

By: _____
David R. Thornton, Managing Director

SCHEDULE I

UNDERWRITERS' ESTIMATED EXPENSES

Average Takedown	\$0
Underwriters' Counsel Fees	
DTC	
CUSIP	
Ipreo	
Miscellaneous	
Total	\$

EXHIBIT C

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
Manatee County, Florida
Public Utilities Revenue Refunding Bonds,
Series 2017

The undersigned, on behalf of Wells Fargo Bank, National Association ("the Representative"), on behalf of itself and Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Purchase Contract, dated December __, 2017, between the Representative and the Issuer (the "Purchase Contract").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1 attached hereto.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities. (a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 2.

(b) As set forth in the Purchase Contract, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule 1 hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Manatee County, Florida.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December __, 2017.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(i) *Total Issue Price* means the total of the issue prices of all the Maturities (\$_____).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that

the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig, LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**WELLS FARGO BANK, NATION
ASSOCIATION, as Representative**

By: _____
David R. Thornton, Managing Director

Dated: December __, 2017

SCHEDULE 1

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL
OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE 2
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER __, 2017

NEW ISSUE - FULL BOOK ENTRY

See "RATINGS" herein

In the opinion of Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2017 Bonds (as defined below) is excludable from gross income for federal income tax purposes. Further, interest on the Series 2017 Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations and such interest is not to be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for a description of the federal alternative minimum tax on corporations and certain other federal tax consequences of ownership of the Series 2017 Bonds. Bond Counsel is further of the opinion that the Series 2017 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.

\$ _____ *

**MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover

The Public Utilities Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds") shall be dated the date of delivery and shall be issued by Manatee County, Florida (the "County") as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Interest on the Series 2017 Bonds is due semiannually on each October 1 and April 1, commencing April 1, 2018, and such interest will be paid by check or draft of U.S. Bank National Association, as Paying Agent to the registered holders. In lieu of payment by check or draft, at the request and expense of an owner of \$1,000,000 or more in aggregate principal amount of Series 2017 Bonds, payment may be made by bank wire transfer in the manner described in the herein defined Resolution. Principal of the Series 2017 Bonds is payable to the registered holders upon presentation, when due, at the designated corporate trust office of the Paying Agent. Upon initial issuance, the Series 2017 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. So long as DTC or Cede & Co. is the registered holder of the Series 2017 Bonds, payments on the Series 2017 Bonds will be mailed directly to DTC or Cede & Co., which is to remit such payments to the Direct Participants (as defined herein), which in turn are to remit such payments to the

Beneficial Owners (as defined herein) of the Series 2017 Bonds. See "DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry-Only System" herein.

The Series 2017 Bonds are subject to optional and mandatory redemption prior to their stated maturities as described herein.

The Series 2017 Bonds are limited obligations of the County payable from and secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System on parity with certain outstanding obligations of the County, as more fully described herein. Neither the full faith and credit, nor the taxing power of the County, is pledged for the payment of the Series 2017 Bonds. The Series 2017 Bonds shall not constitute a lien upon any property of the County, nor shall they constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely as provided herein.

Until (and including) the applicable Cross-Over Date (as defined herein), the interest on the Series 2017 Bonds will be additionally secured by amounts deposited and interest earned thereon in the escrow deposit trust fund (the "Trust Fund") held by the Escrow Agent under the Escrow Deposit Agreement (as such terms are defined herein). The foregoing notwithstanding, only the interest coming due on the Series 2017 Bonds until the Cross-Over Date will be paid from the amounts in the Trust Fund held by the Escrow Agent under the Escrow Deposit Agreement. After such Cross-Over Date the Series 2017 Bonds will be secured by and payable solely from the lien upon and pledge of the Net Revenues of the County's Public Utilities System.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read this entire Official Statement, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

The Series 2017 Bonds are being issued by the County for the purposes of (i) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B, currently Outstanding in the principal amount of \$60,345,000 (the "Refunded Bonds") and (ii) paying costs of issuance.

The Series 2017 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval as to legality by Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel to the County. Certain legal matters will be passed on for the County by the Office of the County Attorney. Certain legal matters will be

passed upon for the Underwriters by their counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. Public Resources Advisory Group, St. Petersburg, Florida is acting as Financial Advisor to the County. It is expected that the Series 2017 Bonds in book-entry-only form will be available through the facilities of DTC, on or about December __, 2017.

Wells Fargo Securities

Citigroup

Raymond James

Dated: December __, 2017

*Preliminary, subject to change.

\$ _____*

MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES
AND INITIAL CUSIP NUMBERS

<u>Maturity</u> <u>(October 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP</u> <u>Number**</u>
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

* Preliminary, subject to change.

** The County is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

[Red Herring Language]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2017 Bonds may not be sold nor may offers to buy the Series 2017 Bonds be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy the Series 2017 Bonds 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. The County shall deem this Preliminary Official Statement "final," except for certain permitted omissions within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

MANATEE COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

Betsy Benac, Chair
Robin DiSabatino, First Vice-Chair
Charles B. Smith, Second Vice-Chair
Stephen R. Johnson, Third Vice-Chair
Vanessa Baugh
Carol Whitmore
Priscilla Whisenant Trace

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

Angelina "Angel" Colonnese

COUNTY ADMINISTRATOR

Edwin Hunzeker

CHIEF FINANCIAL OFFICER

Daniel R. Wolfson, CPA

COUNTY ATTORNEY

Mitchell "Mickey" Palmer

DIRECTOR OF UTILITY OPERATIONS

C. Michael Gore

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Shinn & Company LLC

FINANCIAL ADVISOR

Public Resources Advisory Group

BOND COUNSEL

Greenberg Traurig, P.A

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations in connection with the Series 2017 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, DTC, and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the County with respect to any information provided by others.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2017 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2017 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2017 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT

PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally 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 WHICH 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 COUNTY 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.

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APPENDIX C	SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION
APPENDIX D	PROPOSED FORM OF OPINION OF BOND COUNSEL

OFFICIAL STATEMENT

Relating To

\$ _____ *

MANATEE COUNTY, FLORIDA Public Utilities Revenue Refunding Bonds, Series 2017

INTRODUCTION

This introduction is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement and should not be considered to be a complete statement of the facts material to making an investment decision. The offering by Manatee County, Florida (the "County") of its \$ _____ * Public Utilities Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"), to potential investors is made only by means of this entire Official Statement, including all appendices attached hereto.

Capitalized terms used but not defined herein have the same meaning as when used in the hereinafter described Resolution, unless the context would clearly indicate otherwise. A description of certain provisions relating to the Series 2017 Bonds are set forth in the Resolution, the summary of which is contained in APPENDIX C of this Official Statement. The descriptions of the Series 2017 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained as described under "MISCELLANEOUS" herein.

The County

The County, which had an estimated 2016 population of 356,133, covers an area of approximately 740 square miles on the west coast of the State of Florida (the "State"). It is bounded on the north by Tampa Bay and Hillsborough County, on the west by the Gulf of Mexico, on the south by Sarasota County, and on the east by DeSoto and Hardee Counties. The Lower Tampa Bay Bridge (the Sunshine Skyway) provides a direct link between the County and the City of St. Petersburg. Interstate 75 is the primary north-south access road within the County. Interstate 275, State Road 64, and State Road 70 are the major east-west access roads within the County. The City of Bradenton (2016 estimated population of 55,687) is the County seat. Other incorporated municipalities within the County are: Palmetto, Bradenton Beach, Holmes Beach, Anna Maria Island, and a portion of the Town of Longboat Key. The economy of the County is based on a

*Preliminary, subject to change.

combination of wholesale and retail trade, contract construction, agriculture, tourism, and cattle ranching. For additional information regarding the County, see APPENDIX A - "General Information Concerning Manatee County, Florida" attached hereto.

Purpose of the Series 2017 Bonds

The Series 2017 Bonds are being issued by the County for the purposes of (i) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B, currently Outstanding in the principal amount of \$60,345,000 (the "Refunded Bonds") and (ii) paying costs of issuance. See "PLAN OF FINANCE" herein.

When the Series 2017 Bonds are issued, the County will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), pursuant to which the County will deposit a portion of the proceeds of the Series 2017 Bonds into an escrow deposit trust fund (the "Trust Fund"), such proceeds to be used to purchase certain direct obligations of the United States of America (the "Escrow Securities") the maturing principal of which, together with interest earnings thereon and any other proceeds of the Series 2017 Bonds held uninvested in cash, will be sufficient to pay the interest on the Series 2017 Bonds until the Cross-Over Date (as defined herein), and the principal of the Refunded Bonds on said Cross-Over Date. The County retains its right to call the Refunded Bonds for redemption in advance of the Cross-Over Date of October 1, 2020 pursuant to the terms of the Resolution. See "PLAN OF REFUNDING" and "SECURITY FOR THE SERIES 2017 BONDS" herein. Until (and including) the applicable Cross-Over Date, interest on the Series 2017 Bonds will be additionally secured by and payable from amounts held in the Trust Fund. After the Cross-Over Date the Series 2017 Bonds will be secured by and payable solely from the lien upon and pledge of the Net Revenues of the County's Public Utilities System.

"Cross-Over Date" means the earlier of (i) October 1, 2020, and (ii) such date on which amounts held by the Escrow Agent under the Escrow Deposit Agreement are applied to pay the principal of the Refunded Bonds upon redemption thereof due to the occurrence of an Extraordinary Event (as defined herein). Upon the occurrence of an Extraordinary Event, the County may, but is not obligated to, redeem the Refunded Bonds pursuant to the extraordinary optional redemption provisions of the Resolution.

Authority for the Series 2017 Bonds

The Series 2017 Bonds are being issued pursuant to Chapter 63-1598, Laws of Florida, Acts of 1963, as amended and supplemented, Chapters 125, 197 and 403, Florida Statutes, Chapter 159, Part VII, Florida Statutes, certain ordinances of the County, and

other applicable provisions of law, and pursuant to Resolution No. R-91-21 adopted by the Board of County Commissioners of the County (the "Board") on January 15, 1991, as amended and supplemented (the "Original Resolution"), including, in particular, as amended and supplemented by Resolution No. R-10-233, adopted by the Board on November 9, 2010, Resolution No. R-10-238, adopted by the Board on November 16, 2010 (collectively, the "Series 2010 Resolution"), Resolution No. R-11-225, adopted by the Board on October 25, 2011 (the "Series 2011 Resolution"), Resolution No. R-15-001, adopted by the Board on March 24, 2015 (the "Series 2015 Resolution"), and Resolution No. R-17-147, adopted by the Board on December 12, 2017 (the "Series 2017 Resolution" and together with the Original Resolution, the Series 2010 Resolution, the Series 2011 Resolution, and the Series 2015 Resolution, the "Resolution").

Description of the Series 2017 Bonds

The Series 2017 Bonds shall be dated the date of delivery and shall be issued by the County as fully registered bonds in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases will be made in book entry form only through DTC in the denomination of \$5,000 or any integral multiple thereof. Interest on the Series 2017 Bonds is payable on April 1, 2018 and semiannually on each October 1 and April 1 thereafter. Payments of principal and interest on the Series 2017 Bonds will be made to purchasers by DTC through Direct Participants. U.S. Bank National Association will serve as Paying Agent and Registrar for the Series 2017 Bonds. See "DESCRIPTION OF THE SERIES 2017 BONDS" herein.

Security for the Series 2017 Bonds

The Series 2017 Bonds will be payable from and secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System on a parity with the County's Outstanding Public Utilities Revenue Refunding and Improvement Bonds, Series 2015 (the "Series 2015 Bonds"), Public Utilities Revenue Refunding and Improvement Bonds, Series 2011 (the "Series 2011 Bonds"), Federally Taxable - Direct Payment - Public Utilities Revenue Improvement Build America Bonds, Series 2010 A (the "Series 2010 A Bonds"), Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010 B (the "Series 2010 B Bonds") and the Public Utilities Revenue Improvement Bonds, Series 2010 C (the "Series 2010 C Bonds") (collectively, the "Prior Bonds"). Upon issuance of the Series 2017 Bonds, the Prior Bonds will be outstanding in the aggregate principal amount of \$174,855,000. See "SECURITY FOR THE SERIES 2017 BONDS - Subordinated Indebtedness" herein for a discussion of potential subordinated debt to be secured by the Net Revenues from time to time. The County's Public Utilities System consists of the Water, Wastewater, Solid Waste and Stormwater Management Divisions, as more fully described herein. At this time, the County does not collect any revenues from the operation of its Stormwater Management Division. See "SECURITY FOR THE

SERIES 2017 BONDS" herein. Pursuant to the terms of the Series 2010 Resolution, in certain calculations and as a pledge to secure the Series 2017 Bonds, Net Revenues also include any Federal Direct Payments (as defined herein) received by the County and on deposit in the Federal Direct Payment Account of the Sinking Fund and Federal District Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time. See "SECURITY FOR THE SERIES 2017 BONDS - Pledged Revenues; Special Obligations" and "- Federal Direct Payments" herein. The term "Bonds" as used herein shall mean the Prior Bonds, the Series 2017 Bonds and any obligations issued on a parity with such Bonds.

Additional Bonds

The County may issue additional obligations on a parity with the Prior Bonds and the Series 2017 Bonds subject to compliance with certain conditions set forth in the Resolution. See "SECURITY FOR THE SERIES 2017 BONDS - Additional Bonds" herein.

Amendments of Resolution

The Series 2015 Resolution authorized certain springing amendments to the Original Resolution. Purchase of the Series 2017 Bonds by the initial investors thereof shall constitute consent to the amendments provided in the Series 2015 Resolution. Consent of the initial Series 2017 Bondholders shall be binding on all future Series 2017 Bondholders and all future owners of Additional Bonds. See "SECURITY FOR THE SERIES 2017 BONDS - Amendments to Resolution; Springing Amendments" herein.

Continuing Disclosure

The County has covenanted for the benefit of the Series 2017 Bondholders to provide certain financial information and operating data relating to the County, the Public Utilities System and the Series 2017 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events, in accordance with Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

Additional Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement contains certain information concerning DTC and its book-entry-only system of registration. Such information has been provided by DTC, and the County does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by DTC and is not responsible for such information.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is

directed to all such documents for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for and the source for repayment for the Series 2017 Bonds and the rights and obligations of the holders thereof. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities Exchange Commission ("SEC") Rule 15c2-12, as amended (the "Rule"). Copies of such documents may be obtained from Ms. Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller, Manatee County Courthouse, 1115 Manatee Avenue West, Room 235, Bradenton, Florida 34205 or at angel.colonnese@manateeclerk.com, upon payment of the County's cost of reproduction and delivery, if any.

PLAN OF REFUNDING

The Series 2017 Bonds are being issued by the County to advance refund, on a cross-over basis, all of the Refunded Bonds, which are currently outstanding in the principal amount of \$60,345,000.

To effect the cross-over refunding of the Refunded Bonds, the County will enter into the Escrow Deposit Agreement with the Escrow Agent. The Refunded Bonds are anticipated to be called for redemption on October 1, 2020 (in such context, the "Redemption Date") at a redemption price equal to 100% of the principal amount of the Refunded Bonds to be redeemed; provided, however, that the County retains the right to call the Refunded Bonds for redemption prior to the October 1, 2020 Cross-Over Date in accordance with the terms of the Resolution.

Pursuant to the terms of the Escrow Deposit Agreement, the County will deposit a portion of the proceeds of the Series 2017 Bonds in the Trust Fund held by the Escrow Agent and apply a portion thereof to the purchase of the Escrow Securities. The Escrow Securities, together with the interest thereon and a cash balance on deposit in the Trust Fund are calculated to be sufficient to pay (i) the interest coming due on the Series 2017 Bonds until October 1, 2020, and (ii) on October 1, 2020, the principal of the Refunded Bonds. See "VERIFICATION OF ARITHMETICAL CALCULATIONS" herein. The Escrow Deposit Agreement provides that deposit of moneys and Escrow Securities in the Trust Fund will constitute an irrevocable deposit of said moneys and Escrow Securities and other property (i) for the benefit and security of the holders from time to time of the Series 2017 Bonds (solely with respect to interest on such Series 2017 Bonds) and (ii) for the benefit and security of the holders of the Refunded Bonds on the applicable Cross-Over Date (solely with respect to principal of such Refunded Bonds). The Escrow Agent shall, no later than each interest payment date for the Series 2017 Bonds transfer from the Trust Fund to the Paying Agent for the Series 2017 Bonds an amount sufficient to pay the

interest on the Series 2017 Bonds coming due on such interest payment date. On the applicable Cross-Over Date the Escrow Agent transfers the balance in the Trust Fund after paying all accrued interest on the Series 2017 Bonds to and including the applicable Cross-Over Date, to the Paying Agent for the Refunded Bonds to pay the Outstanding principal of the Refunded Bonds.

Upon receipt of written notice from the County that an Extraordinary Event has occurred and that the County has determined to redeem the Refunded Bonds prior to October 1, 2020, as a result of the occurrence of the Extraordinary Event, the Escrow Agent will timely redeem the Escrow Securities held to the credit of the Trust Fund and apply the amounts received from such redemption and other cash in the Trust Fund to redeem the Refunded Bonds on such date prior to October 1, 2020 as specified by the County in the written notice provided to the Escrow Agent. Upon receipt of notification that the County has determined to redeem the Refunded Bonds prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the Escrow Agent will not pay any interest on the Series 2017 Bonds accruing after the date of redemption of the Refunded Bonds from amounts in the Trust Fund. The redemption price of the Refunded Bonds shall be calculated by the County pursuant to the make-whole provisions of the Series 2010 Resolution. If the redemption price as so calculated does not create greater savings to the County than if the Refunded Bonds were paid and redeemed on the October 1, 2020 Cross-Over Date, notwithstanding the occurrence of the Extraordinary Event, no extraordinary optional redemption shall occur. The County shall pay from Net Revenues (as defined in the Resolution) and from moneys on deposit in the reserve accounts established for Refunded Bonds, the Series 2010A Bonds maturing on October 1, 2020 (collectively with the Refunded Bonds, the "Prepaid Bonds") the accrued interest on the Prepaid Bonds and make-whole premium on the earlier Cross-Over Date upon the occurrence of an Extraordinary Event and a determination by the County to redeem the Prepaid Bonds on the earlier Cross-Over Date and the Escrow Agent shall accept from the County such money for deposit into the Trust Fund, any additional moneys that may be required.

Under the Resolution, an "Extraordinary Event" will have occurred if the County determines that a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act pertaining to Build America Bonds) or other applicable provisions of the Code pursuant to which the County's Federal Direct Payments from the Department of Treasury are materially reduced or eliminated. Upon the occurrence of an Extraordinary Event, the County may, but is not obligated to, redeem the Refunded Bonds pursuant to the extraordinary optional redemption provisions of the Resolution.

[Remainder of page intentionally left blank]

It is the intention of the County that the Refunded Bonds will remain Outstanding until the applicable Cross-Over Date. The Refunded Bonds consist of the following principal amounts of the following maturities:

REFUNDED BONDS*

Maturity Date	
<u>(October 1)</u>	<u>Principal Amount</u>
2021	2,995,000
2022	3,115,000
2023	3,240,000
2024	3,380,000
2025	2,315,000
2030**	21,105,000
2035**	24,195,000

* Assuming that the Refunded Bonds are redeemed on October 1, 2020. If the Refunded Bonds are redeemed prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the redemption price will consist of the principal amount of the Refunded Bonds, the principal amount of the Series 2010A Bonds maturing on October 1, 2020 plus a make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238 and accrued interest thereon.

** Term bonds.

The initial cash deposit plus principal and interest on the Escrow Securities in the Escrow Deposit Fund will be sufficient to pay and redeem the Refunded Bonds according to the schedules prepared by Wells Fargo Bank, National Association, as verified by Causey, Demgen & Moore, P.C. (the "Verification Agent"). See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

DESCRIPTION OF THE SERIES 2017 BONDS

General Description

The Series 2017 Bonds will be dated the date of issuance and will mature in the years, and in the amounts and bear interest at the rates set forth on the inside cover page hereof. The Series 2017 Bonds will be issued in fully registered form, in the denomination of \$5,000 and integral multiples thereof and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Purchases of beneficial interests in the Series 2017 Bonds will be made in book-entry-only form (without certificates) solely through Direct Participants, as described herein.

Interest on the Series 2017 Bonds (first payment due April 1, 2018 and semiannually on each October 1 and April 1 thereafter) will be payable by U.S. Bank National Association, as Paying Agent, mailed to the registered owner, as shown on the registration books of the County maintained by U.S. Bank National Association, as the

Registrar, on the fifteenth day of the month prior to each Interest Payment Date, whether or not such day is a Business Day (the "Record Date"). The principal of the Series 2017 Bonds is payable at maturity to the registered owner at the designated corporate trust office of the Paying Agent.

So long as the Series 2017 Bonds shall be in book-entry-only form, payments on the Series 2017 Bonds are payable by check or draft mailed or delivered to Cede & Co. as registered owner thereof and will be redistributed by DTC and the Direct Participants as described in "Book-Entry-Only System" below.

Redemption of Series 2017 Bonds

Optional Redemption. The Series 2017 Bonds maturing on or prior to October 1, 20__ shall not be redeemable prior to their stated dates of maturity. The Series 2017 Bonds maturing after October 1, 20__ shall be redeemable at the option of the County from any legally available source, in whole or in part, in any order of maturity selected by the County, and by lot within a maturity if less than an entire maturity is to be redeemed, on _____ 1, 20__, or at any time thereafter, at an initial redemption price of not greater than 100%, together with accrued interest to the date fixed for redemption.

Mandatory Redemption. The Series 2017 Bonds maturing on October 1, 20__ are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on October 1, 20__, and on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:

<u>Year</u>	\$	<u>Principal Amount</u>
*		

*Final Maturity.

Notice of Redemption. Notice of redemption will be mailed, postage prepaid, by the Registrar not less than 30 days prior to the date fixed for redemption, to all registered owners of the Series 2017 Bonds or portion of Series 2017 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar, fifteen days prior to the date such notice is mailed.

Notice of redemption shall set forth (i) the identification of the Series 2017 Bonds subject to redemption, (ii) the date fixed for redemption, (iii) the redemption price to be paid, (iv) the Series of Series 2017 Bonds to be redeemed, (v) that such Series 2017

Bonds will be redeemed at the designated corporate trust office of the Paying Agent, and the name, address and telephone number of a contact person, (vi) if less than all of the Series 2017 Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Series of Series 2017 Bonds to be redeemed, and (vii) in the case of a Series of Series 2017 Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. The notice of redemption may provide that such notice is contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice will be rescinded, provided notice of rescission will be mailed in the manner described above to all affected Bondholders within a reasonable time period after the County determines that such conditions will not be satisfied and prior to the scheduled date of redemption. Failure of the registered owner of any Series 2017 Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2017 Bonds for which proper notice has been given. Interest shall cease to accrue on any of the Series 2017 Bonds duly called for prior redemption if payment of the redemption price has been duly made or provided for.

Book-Entry-Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of the Series 2017 Bonds 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 (the "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 (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 Bond ("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 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds 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 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 Bond documents. For example, Beneficial Owners of the Series 2017 Bonds

may wish to ascertain that the nominee holding the Series 2017 Bonds 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 Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2017 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2017 Bonds 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 County or the Paying Agent and Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, the Registrar or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent for the Series 2017 Bonds. 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The County may decide, subject to the procedures of DTC, to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered and be subject to transfer and registration as provided in the Resolution.

SECURITY FOR THE SERIES 2017 BONDS

Pledged Revenues; Special Obligations

The Series 2017 Bonds will be payable from and secured by a lien upon and a pledge of the Net Revenues of the Public Utilities System. Until (and including) the applicable Cross-Over Date, interest on the Series 2017 Bonds will be additionally secured by and payable from amounts held in the Trust Fund. After such Cross-Over Date the Series 2017 Bonds will be secured by and payable solely from the lien upon and pledge of the Net Revenues of the County's Public Utilities System. The Public Utilities System consists of the Water, Wastewater, Solid Waste and Stormwater Management Divisions. The County may, by subsequent resolution, elect to pledge special assessments for the payment of principal of and interest on the Series 2017 Bonds. If the County makes such election, the special assessments so pledged shall be treated for all purposes as Gross Revenues. For the purpose of determining Net Revenues with respect to the Rate Covenant, the conditions for issuance of Additional Bonds and for determining Net Revenues pledged to secure the Series 2017 Bonds, Federal Direct Payments (as defined below) actually received by the County and on deposit in the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time shall be included as Net Revenues. Further, Federal Direct Payments actually received by the County and on deposit in the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time may be used to pay Annual Debt Service. The Series 2017 Bonds shall be payable on a parity in all respects with the Prior Bonds and any Additional Bonds.

The Series 2017 Bonds shall not be and shall not constitute an indebtedness of the County within the meaning of any constitutional, statutory or other limitation of indebtedness, but shall be payable solely from the Net Revenues, which as described below includes Federal Direct Payments and, until the applicable Cross-Over Date, interest on the Series 2017 Bonds shall be payable from the Trust Fund established under the Escrow Deposit Agreement. No holder or holders of any Series 2017 Bonds issued under the Resolution shall ever have the right to compel the exercise of the ad valorem taxing power of the County, or taxation in any form of any real property therein to pay the Series 2017 Bonds or the interest thereon.

Amendments to Resolution; Springing Amendments

The Series 2015 Resolution provided for springing amendments (the "2015 Springing Amendments") to become effective once the Series 2015 Bonds and any subsequent Additional Bonds issued by the County equal 100% of the total amount of Bonds Outstanding under the Resolution. The 2015 Springing Amendments (1) amend the definition of "Operating Expenses" to clarify that certain pension and health insurance

costs are excluded from such definition, and that escrowed Landfill closure expenses shall not be treated as Operating Expense for the purposes of the rate covenant and additional bonds test, (2) remove the requirement for a Consultant's Report to determine the amount to be deposited annually to the Rate Stabilization Fund and eliminate any predetermined withdrawal period from such fund, (3) create a renewal and replacement fund to pay for capital improvements to the System and provides that the County may annually determine the amount, if any, to deposit therein, and (4) rename the Capital Improvement Fund to "General Reserve Fund" and provide that the County may use such monies on deposit therein for any public works project legally permitted under applicable law. The County cannot predict when in the future such 2015 Springing Amendments will become effective and what impact such 2015 Springing Amendments will have on the financial operations of the County's Public Utilities System.

PURCHASE OF THE SERIES 2017 BONDS BY THE INITIAL INVESTORS THEREOF SHALL CONSTITUTE CONSENT TO THE 2015 SPRINGING AMENDMENTS. CONSENT OF THE INITIAL SERIES 2017 BONDHOLDERS SHALL BE BINDING ON ALL FUTURE SERIES 2017 BONDHOLDERS AND ALL FUTURE OWNERS OF ADDITIONAL BONDS. THE UNDERWRITERS ARE NOT PROVIDING CONSENT TO OR APPROVAL OF THE SPRINGING AMENDMENTS AND THE COUNTY WILL NOT DEEM THE SPRINGING AMENDMENTS TO HAVE BEEN CONSENTED TO OR APPROVED BY THE UNDERWRITERS AS A RESULT OF THE UNDERWRITERS' PURCHASE OF THE SERIES 2017 BONDS IN THEIR CAPACITY AS UNDERWRITERS AS DEFINED IN SECTION 2(A)(11) OF THE SECURITIES ACT OF 1933, AS AMENDED.

Creation of Funds and Accounts

The Resolution creates the following funds and accounts:

- (a) Revenue Fund (hereinafter referred to as the "Revenue Fund").
- (b) Sinking Fund (hereinafter referred to as the "Sinking Fund"), with separate accounts to be known as the "Interest Account," the "Principal Account," the "Bond Redemption Account," the "Debt Service Reserve Account" for each Series of Bonds and the "Federal Direct Payments Account." The County reserves the right, but shall not be obligated to create and establish additional separate Federal Direct Payment Accounts and separate subaccounts within the Federal Direct Payment Account for each series of Build America Bonds. Upon the effective date of the Springing Amendments, the County will not be required to create Debt Service Reserve Accounts for each Series of Bonds.
- (c) Rate Stabilization Fund (the "Rate Stabilization Fund").

(d) Acquisition/Construction Fund (the "Construction Fund"), with a separate line item to be known as the "2017 Cost of Issuance Cost Center."

(e) Capital Improvement Fund (the "Capital Improvement Fund").

The Sinking Fund, including the Interest Account, Principal Account, Bond Redemption Account, Debt Service Reserve Accounts and Federal Direct Payments Account (including any subaccount therein) therein, the Capital Improvement Fund, the Construction Fund and all other special funds and accounts created and established by the Resolution, other than the Rate Stabilization Fund, shall constitute trust funds for the Holders of the Series 2017 Bonds, except that any Debt Service Reserve Account shall constitute a trust fund only for the Holders of the Series of Bonds for which such Debt Service Reserve Account relates. The amounts required to be accounted for in each of the funds and accounts may be deposited in a single bank account maintained by the County, provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein. The designation and establishment of such funds and accounts shall not be construed to require the establishment of any completely independent funds and accounts but rather is intended solely to constitute an allocation of certain revenues and assets of the Public Utilities System for certain purposes and to establish such certain priorities for application of certain revenues and assets.

Debt Service Reserve Account

The Resolution provides for the establishment of a separate and distinct Debt Service Reserve Account for any Series of Bonds as determined by the County in the Sinking Fund, each referred to herein as a "Debt Service Reserve Account," with such other appropriate denomination as the County deems necessary to distinguish one such Debt Service Reserve Account from another. Each such Debt Service Reserve Account shall constitute separate security for the Series of Bonds for which it relates and the moneys or securities therein or derived from a Reserve Account Credit Facility Substitute therein shall not be available to pay debt service on any other Series of Bonds unless expressly so provided by subsequent proceedings of the County.

There will be no debt service reserve requirement for the Series 2017 Bonds. Amounts on deposit in any Debt Service Reserve Account established for any other Series of Bonds shall not be available for the Series 2017 Bonds.

Rate Covenant

Pursuant to the Resolution, the County has agreed to fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and facilities of its Public Utilities System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year Net Revenues, which shall be adequate to pay at

least 115% of the Annual Debt Service Requirement for all Outstanding Bonds, including the Series 2017 Bonds; and that such Net Revenues shall be sufficient to make all of the payments required by the terms of the Resolution; and that such rates, fees, rentals or other charges shall not be reduced so as to be insufficient for such purposes. See "SECURITY FOR THE SERIES 2017 BONDS - Pledged Revenues; Special Obligation" herein.

Subordinated Indebtedness

The County may, at any time or from time to time, issue evidences of indebtedness payable in whole or in part out of the Net Revenues of the County's Public Utilities System and which may be secured by a pledge of the Net Revenues subordinated in all respect to the pledge of the Net Revenues created by the Resolution. Presently, the County has no outstanding subordinate debt.

Additional Bonds

The County may issue from time to time Additional Bonds on a parity with the Outstanding Bonds, including the Series 2017 Bonds, subject to the following conditions:

(1) The County must be current in all deposits and payments required by the Resolution and in compliance with all covenants therein.

(2) The Net Revenues received during any 12 consecutive months of the 24 months immediately preceding the issuance of said additional Bonds, as certified by the Clerk and as may be adjusted pursuant to the Resolution, equal 115 % of the Maximum Annual Debt Service Requirement on (a) the Outstanding Bonds, including the Series 2017 Bonds, and (b) the Additional Bonds then proposed to be issued.

(3) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the condition of subparagraph (2) above shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction or shall not increase the annual debt service payments over the life of the Bonds so refunded.

Federal Direct Payments actually received by the County and on deposit in the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time shall be included in the calculation of Net Revenues to comply with the provisions for issuance of Additional Bonds.

See APPENDIX C - "Summary of Certain Provisions of the Resolution - Issuance of Pari Passu Additional Bonds" attached hereto for a more complete discussion of the ability of the County to issue Additional Bonds and a description of adjustments which may be made to the test described above, including adjustments for Federal Direct Payments actually received by the County and on deposit in the Federal Direct Payments

Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time.

Application of Revenues

Prior to the effective date of the Springing Amendments, all Revenues derived from the operation of the Public Utilities System shall be deposited in the Revenue Fund and shall be disposed of only in the following manner:

(1) Revenues shall be used, to the full extent necessary, to pay Operating Expenses that are due and payable during the current calendar month.

(2) If the Board determines it to be in the best interest of the County, Revenues shall next be deposited in the Rate Stabilization Fund each month in an amount equal to 1/36th of the Rate Stabilization Deposit Amount, after giving credit for amounts on deposit therein. The Rate Stabilization Deposit Amount shall be determined by a Consultant's Report in the manner provided in the Resolution.

(3) Revenues shall next be deposited into the Interest Account in the Sinking Fund on the 15th day of each month in such sums as shall be sufficient to pay 1/6th of the interest becoming due on all Outstanding Bonds, including the Series 2017 Bonds, on the next Interest Payment Date. Monthly deposits for interest shall not be required to the extent money is on deposit therein. In the event the period to elapse between the date of delivery of the Series 2017 Bonds and the next Interest Payment Date will be less or more than six months, such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required interest amount maturing on the next Interest Payment Date.

(4) Revenues shall next be used:

(a) for deposit in the Principal Account in the Sinking Fund on the 15th day of each month in each year, 1/12th of the principal amount or Accreted Value of Serial Bonds which will mature and become due on the next annual maturity date. In the event the period to elapse between the date of delivery of the Series 2017 Bonds and the next principal payment date will be less or more than 12 months, such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required principal amount maturing on the next principal payment date.

(b) for deposit into the Bond Redemption Account in the Sinking Fund on the 15th day of each month in each year, 1/12th of the amount required for the payment of Term Bonds, until the amount on deposit therein is equal to the amount required to be paid on the next installment payment date.

(5) To the extent not funded from Bond proceeds or covered by the amounts on deposit in the Debt Service Reserve Accounts, Revenues shall next be used on a pro rata basis, to the full extent necessary, for deposits into each of the Debt Service Reserve Accounts in the Sinking Fund on the 15th day of each month in each year, beginning with the 15th day of the first full calendar month following the date on which any or all of the Series 2017 Bonds or Bonds of any other Series are delivered to the purchaser thereof, such sums as shall be sufficient to pay an amount equal to 1/12th of 20% of the Debt Service Reserve Requirement applicable for each Series of Bonds. No further payments shall be required to be made in the Debt Service Reserve Account whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such Series of Bonds.

(6) Revenues shall next be used, first, for the repayment of any obligations owed to the provider of any Reserve Account Credit Facility Substitute (pro rata, if necessary), and, second, for the payment of any subordinated indebtedness hereafter issued by the County in connection with the Public Utilities System.

(7) Any Revenues remaining in the Revenue Fund shall be deposited in the Capital Improvement Fund and used by the County to make improvements to the Public Utilities System, to pay the costs of renewal or replacement of capital assets of the Public Utilities System or extraordinary repairs thereto, to establish reserves for closure costs of the County's Landfill, to purchase or redeem Bonds prior to maturity or for any public works project legally permitted under applicable law (including the payment of debt service on bonds or other debt obligations issued by the County for such public works projects) in the manner and amount determined by subsequent proceedings of the Board. The Resolution defines "public works" as capital projects for the acquisition, construction and/or rehabilitation of roads, highways, bridges and tunnels, and such other legally permissible capital projects relating thereto as shall be determined by ordinance of the County.

(8) Notwithstanding the above paragraphs (3), (4), (5) and (6) above under this heading, any moneys on deposit in the Federal Direct Payments Account or any subaccount therein may be used in substitution of the use of Net Revenues or in combination with Revenues to pay Annual Debt Service on the Series 2017 Bonds.

For additional information describing the Springing Amendments applicable to the foregoing application of revenues, see "SECURITY FOR THE SERIES 2017 BONDS - Amendments to Resolution; Springing Amendments" herein.

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ESTIMATED SOURCES AND USES OF FUNDS

The following sets forth the estimated sources and uses of the Series 2017 Bond proceeds:

SOURCES OF FUNDS

Proceeds of Series 2017 Bonds	\$
Plus: [Net Original Issuance Premium]	<hr/>
TOTAL SOURCES OF FUNDS	\$ <hr/>

USES OF FUNDS

Deposit to Escrow Deposit Trust Fund	\$
Pay Costs of Issuance ⁽¹⁾	<hr/>
TOTAL USES OF FUNDS	\$ <hr/> <hr/>

⁽¹⁾ Includes Underwriters' discount, legal and financial advisory fees, printing costs, rating agency fees and other miscellaneous expenses.

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DEBT SERVICE SCHEDULE FOR THE SERIES 2017 BONDS

The table below sets forth the annual debt service requirements with respect to the Series 2017 Bonds.

Period Ending <u>October 1</u>	<u>Principal</u>	<u>Interest</u>	Total Debt <u>Service</u>
2018	\$	\$	\$
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
TOTAL	\$ _____	\$ _____	\$ _____

DEBT SERVICE SCHEDULE FOR THE PRIOR BONDS AND SERIES 2017 BONDS

The table below sets forth the annual debt service requirements with respect to the Prior Bonds and Series 2017 Bonds.

Bond Year Ending October 1	Series 2010 Bonds Debt Service ⁽¹⁾⁽²⁾	Series 2011 Bonds Debt Service	Series 2015 Bonds Debt Service	Series 2017 Bonds Debt Service	Total Debt Service
2018	\$7,332,733.00	\$2,901,750.00	\$7,105,250.00	\$	\$
2019	7,333,858.00	2,903,500.00	7,109,050.00		
2020	7,329,658.00	2,899,750.00	7,113,300.00		
2021		2,905,500.00	7,108,800.00		
2022		2,905,000.00	3,155,550.00		
2023		2,903,250.00	3,155,550.00		
2024			4,605,550.00		
2025			4,688,050.00		
2026			4,782,800.00		
2027			4,903,800.00		
2028			5,019,300.00		
2029			5,154,050.00		
2030			5,281,550.00		
2031			5,425,550.00		
2032			5,569,300.00		
2033			5,728,550.00		
2034			5,881,800.00		
2035			6,057,200.00		
2036			11,669,400.00		
2037			11,670,400.00		
2038			11,670,400.00		
2039			11,668,800.00		
TOTAL	<u>\$21,996,249.00</u>	<u>\$17,418,750.00</u>	<u>\$144,524,000.00</u>	<u>\$</u>	<u>\$</u>

- (1) Estimated annual debt service is shown and includes interest due on the Refunded Bonds being cross-over refunded by the Series 2017 Bonds through and including October 1, 2020, but excludes interest and principal due on the Refunded Bonds after October 1, 2020.
- (2) Debt service does not take into effect any potential Federal Direct Payments received by the County.
- (3) Interest on the Series 2017 Bonds through October 1, 2020 or an earlier Cross-Over Date will be paid from the amounts in the Trust Fund held by the Escrow Agent under the Escrow Deposit Agreement.

THE WATER AND WASTEWATER DIVISION

General

In 1991, the County combined its existing Water and Wastewater Systems, Solid Waste System and Stormwater Management System into one public utility. This utility, known as the Manatee County Public Utilities System (the "System" or "Public Utility System"), was established to maximize the utilization of personnel and resources and to enhance the health and safety of County residents. At this time, no revenues are derived from the operation of the Stormwater Management System.

Recognizing that at some future time it might benefit the County to combine other utility operations or public works enterprises into the Public Utilities System, the County reserved the right to do so. To date, however, no other such consolidations have taken place.

Background

The water and wastewater facilities of the Public Utilities System are administered by the Water and Wastewater Divisions of the Manatee County Utilities Department ("MCUD"), a department of the County government. In 1965, the County commenced acquisition and construction of a County-wide system to provide water for all unincorporated areas, and currently serves approximately 76% of the County population. As of September 30, 2017, the Water Division provided water service in portions of the incorporated and unincorporated areas of the County to 152,593 Equivalent Residential Connections ("ERCs"), representing approximately 119,872 meters (exclusive of irrigation, fire-line, and reclaimed water meters). An ERC relating to the Water Division's water service represents use of approximately 275 gallons of water per day ("GPD") per dwelling unit. The County also sells treated potable water on a wholesale basis to the cities of Bradenton and Palmetto, the Town of Longboat Key and Sarasota County.

The Wastewater Division's oldest wastewater treatment plant began operating in November 1974. The County's original wastewater collection system was completed in phases between 1974 and 1978. Prior thereto, wastewater treatment was provided by septic tanks and small, privately-owned treatment plants. All individual and privately-owned wastewater systems capable of being served by the Wastewater Division have been required to connect to the Wastewater Division's wastewater facilities. As of September 30, 2017, the Wastewater Division provided wastewater collection and treatment services in most of the developed areas of the County (excluding parts of the City of Bradenton and the City of Palmetto) to 141,259 ERC's, representing approximately 102,646 accounts. An ERC relating to the Wastewater Division's wastewater service represents use of approximately 240 gallons of wastewater disposal

per day per dwelling unit. The County also provides wastewater treatment service for the Town of Longboat Key and parts of the City of Bradenton.

**Historic Growth of Water and Wastewater Divisions Services
Number of Meters
(as of September 30)**

Year	Water	Percentage Growth	Wastewater	Percentage Growth
2017	119,872	2.8%	102,646	2.9%
2016	116,573	3.1	99,770	2.8
2015	113,042	5.1	97,084	2.5
2014	107,540	2.7	94,690	2.0
2013	104,679	0.7	92,791	2.1

Source: Manatee County, Florida.

Administration

The MCUD is managed by the County's Director of the Utilities Department, Mr. C. Michael Gore, who was appointed to this position effective July 2013. Mr. Gore began his career with Manatee County in April 1984, working in the Utilities Department's Water Division. In November 1998, Mr. Gore filled the role of Landfill Superintendent for the Solid Waste Division and in June 2009 he was promoted to Solid Waste Division Manager.

The Water and Wastewater Divisions' responsibilities for water supply and distribution, and wastewater collection and treatment, are managed separately by a water section manager and wastewater section manager.

The Water Division is managed by Mark Simpson, who holds the title of Water Division Manager. Mr. Simpson's received his Bachelor degrees in Chemistry and Biology from the University of South Florida, and has 35 years of experience in water treatment analysis, research and production.

The Wastewater Division is managed by Jeff Goodwin, who holds the title of Wastewater Division Manager. Mr. Goodwin holds a Bachelor of Science degree in Biology from Guilford College and has 20 years of experience in wastewater treatment analysis, regulation and research.

The Manatee County Utilities Operations are managed by Mr. Gus A. DiFonzo, the Deputy Director of Utility Operations. Mr. DiFonzo was promoted to this position in January 2009. The Operations Division includes the Solid Waste, Underground Maintenance and the Utilities Communications and Safety divisions. His past experience

with the County is centered in Solid Waste Administration and Management. Mr. DiFonzo received a Bachelor of Science degree in Education from Southern Benedictine College and joined the County in 1987.

The Manatee County Utilities Financial Services are managed by Ms. Heather Dilldine, who holds the title of Financial Services Manager. The Financial Services Division includes Fiscal Services, Business Services, Business Systems Support and the Utilities Record division. Ms. Dilldine holds a Bachelor's degree in Business Administration from the University of North Carolina and started with MCUD in February 2014.

Employees

As of September 30, 2017, the MCUD had 407 employees, of which 112 are involved in water service including treatment, distribution and meter services, 160 in wastewater treatment and disposal, 39 in solid waste operations including recycling and enforcement, 35 in operational support including utility records, underground, maintenance and warehouse, and 46 supporting customer service, billing and collections. The remaining 15 employees are senior management, fiscal staff and administrative positions. The employees of the MCUD are not represented by a labor union. Labor relations between the MCUD and its employees have been amicable.

The employees of the MCUD are covered by the State of Florida Retirement System Pension Plan (the "FRS Plan"), which is administered by the State. The State Constitution prohibits increasing benefits without concurrently providing for funding the increase on a sound actuarial basis. See "PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS - Florida Retirement System" herein for further information regarding the FRS Plan and the County's contribution.

Water Supply and Treatment Facilities

In Fiscal Year 2017, the average daily demand on the Water Division's water production facilities was 40.2 MGD and the maximum daily demand was 51.96 MGD. To meet this demand, the Water Division's primary water supply is obtained from a 1,800 acre reservoir on the Manatee River called Lake Manatee. A 50-foot-high clay-core earthen dam impounds an 18,100 acre-feet (5.9 billion gallons) storage pool at an elevation of 40 feet. Under drought conditions occurring with a 20-year frequency, the reservoir is capable of delivering 34.9 MGD while maintaining a minimum storage level of 21 feet. The County's water use permits will allow 34.9 MGD and 46.068 MGD to be withdrawn for average day and maximum per month, respectively, from the reservoir.

In addition to the primary water source at Lake Manatee, the County currently operates wellfields and an aquifer storage and recharge recovery system. The East County Wellfield is the Water Division's wellfield and is permitted for 19.086 MGD

average daily and 20.356 MGD maximum average per month. On May 24, 2016, a modification of the consolidated water use permit by the Southwest Florida Water Management District added 3.1 MGD to the daily average (to 19.086) to increase withdrawal flexibility. This additional 3.1 MGD was earned through provision of reclaimed water and subsequent retirement of other groundwater withdrawals under the Southwest Florida Water Management District's "Net Benefit" program. The 3.1 MGD can currently be used to replace surface water withdrawals when needed, but a permit condition allows it to be added to the total quantities when water use demands show the need. In addition, an auxiliary wellfield owned by IMC Fertilizer is permitted to provide 1.96 MGD average daily and 1.96 MGD maximum average per month to the County. These wellfields have been operational since 1993. The aquifer storage and recovery system (the "ASR") wells are used to inject treated drinking water into the Floridian Aquifer for storage during periods of low demand and high surface water flow. The ASR can supplement the plant if the surface water source is lost during maintenance work on the plant, periods of algae blooms, and/or dry periods. The County has a total of six ASR wells at the plant with a combined capacity of 10 MGD. The ASR is permitted to maintain up to three billion gallons in storage. This storage is allocated with 1.8 billion gallons for operational purposes and 1.2 billion gallons reserved for extended operation (prolonged drought or maintenance) or emergency use.

On September 25, 2012, the Southwest Florida Water Management District issued a twenty year consolidated water use permit that included the withdrawals discussed above from Lake Manatee and the East County Wellfield, and also included withdrawals from a future Buffalo Creek Wellfield (3.95 MGD) located north of the Manatee River. The availability of the additional 3.1 MGD from the East County Wellfield as explained above has delayed the need for the development of the Buffalo Creek Wellfield and Water Plant such that construction is not expected until 2030. When constructed it will further diversify water sources and provide a drought resistant supply source north of the Manatee River. The total permitted average annual withdrawal quantity on the consolidated permit is 54.836 MGD.

The total permitted withdrawal from all of the above water sources is 56.80 MGD average daily and 70.37 MGD maximum average per month. There is no restriction placed on maximum daily withdrawal. With the additional 3.1 MGD from the East County Wellfield, which will be available when needed to meet demands, the current permit for these facilities is projected to meet the Water Division's needs through 2036. The County has not been cited for a permit or regulatory violation during the last five years.

The Water Division's water treatment plant is located adjacent to the reservoir. The original plant was constructed in 1965, and in 1973 its capacity was expanded from 12 MGD to 30 MGD, to 54 MGD in 1982 and to 84 MGD in 1993. The plant treats both surface and ground water using pre-treatment facilities, sedimentation basins, high-rate

filters and clearwells. The Water Division also has six elevated storage tanks and seven ground storage facilities with an aggregate capacity of 32 million gallons.

Water produced by the Water Division from its surface supply receives conventional treatment (e.g., coagulation, sedimentation, filtration and chlorination). The ground water from the wellfield is softened, filtered, treated and chlorinated. The water currently meets all federal and state regulatory requirements. The County regularly monitors water quality in its own laboratory and comprehensively tests water annually using independent laboratories.

The following tables represent historic and projected water production for the County.

Historic Water Production
Billions of Gallons
(as of September 30)

<u>Fiscal Year</u>	<u>Water Produced</u>
2017	14.62
2016	14.21
2015	13.62
2014	13.52
2013	13.40
2012	13.66
2011	13.51
2010	13.32

Source: Manatee County, Florida.

Projected Water Production
Billions of Gallons
(as of September 30)

<u>Fiscal Year</u>	<u>Water Produced</u>
2022	15.79
2021	15.55
2020	15.31
2019	15.08
2018	14.85

Source: Manatee County, Florida.

In addition to the above projected water production through 2022, the Water Division planning to ensure sufficient capacity to meet daily demands and all contractually obligated wholesale contracts, estimates the following average daily needed capacity through 2035.

**Estimated Daily Water Demand
(through 2035)**

<u>Fiscal Year</u>	<u>Estimated Daily Water Demand</u>
2020	46.28 MGD
2025	44.05 MGD
2030	47.41 MGD
2035	51.51 MGD

Source: Manatee County, Florida.

Water Transmission and Distribution Facilities

The County's service area is approximately 35% of the geographic area of the County that is located west of Lake Manatee. The geographic area to the east of I-75 consists largely of rural agricultural lands that typically rely on private wells and septic systems. Two 36-inch, a 42/36-inch, and a 30-inch transmission main with accompanying pumping stations deliver water to the service area. Branching off from the 36-inch transmission mains are a 30-inch, a 20-inch, and a 12-inch main which each deliver water to Sarasota County. A 20-inch subaqueous transmission main across Sarasota Bay delivers water to Anna Maria Island and Longboat Key, and 16-inch, 24-inch and 30-inch transmissions main provide water service to the City of Palmetto and the service area north of the Manatee River. A 16-inch water line was constructed along Manatee Avenue which provides a secondary feed to the island communities of Anna Maria Island and Town of Longboat Key.

Within the retail service area, the transmission and distribution lines constructed by the County vary in size from 42-inches to a minimum of 2-inches. Most of these lines are ductile iron, ACP, PVC or cast iron pipe, which had an estimated useful life of 30 to 60 years when initially placed in service. Approximately 1,700 miles of pipe are recorded within the Water Division's water distribution facilities.

Currently, the Water Division continues to expand its facilities as growth occurs. Developers normally construct distribution facilities for subdivisions, then dedicate those facilities to the County. The County has, from time to time, paid its proportionate cost of constructing off-site improvements that connect new development to the County's water distribution facilities. The County is currently evaluating its facility investment fee for water (described in greater detail under the heading "THE WATER AND

WASTEWATER DIVISION - Facility Investment Fee" herein) to determine if it provides funds sufficient to accommodate the anticipated requests for County participation in such improvements. Occasionally, the subdivision systems remain private. These privately owned facilities typically consist of water distribution and pump stations owned by a property owners association or a community development district which connect the customers in the subdivision to the System. No Revenues or proceeds of Prior Bonds have been used to construct or maintain these privately owned facilities and the County has no legal responsibility to maintain or replace these privately owned facilities. Historically, the County has required the private water facilities to meet certain County standards and, if necessary, those facilities are improved at the owner's expense before the County will accept ownership of such facilities. While the County has not changed this practice, requests made by private systems are evaluated on a case-by-case basis. As such, the County may accept transfer of privately owned facilities and require the owners of such facilities to provide funds to cover a portion of the improvements as warranted by an engineering analysis. The County and its consultants have analyzed the cost of such policy change and determined that such change will not have a material adverse effect on the financial condition of the System or its ability to pay debt service on the Outstanding Bonds.

Water Supply Contracts

The County has contracted to supply treated water to Sarasota County, the Cities of Bradenton and Palmetto and the Town of Longboat Key. All moneys received by the County from these contracts are considered Revenues under the Resolution. The following is a summary of these contracts:

The County signed a 24-year contract with the Town of Longboat Key to supply all of the treated potable water which the Town uses for resale to its residents dated February 6, 2007 (the "LBK Water Agreement"). The LBK Water Agreement includes a ten year option to renew upon mutual written consent of the parties. The LBK Water Agreement provides that the County will reserve 2.50 MGD of capacity in the County's potable water system, which the Town of Longboat Key may increase subject to payment of the then current Facility Investment Fees associated with the additional capacity requirements. During the Fiscal Year 2017, the Town of Longboat Key utilized approximately 70% of its reserved water capacity on an average annual basis. The rate charged for water sold to the Town currently is \$1.81 per 1,000 gallons plus a monthly fixed charge of \$28,315. The County has the right to adjust rates annually under the LBK Water Agreement. In Fiscal Year 2017, the County received \$1,457,351 from the sale of water to the Town of Longboat Key.

On October 21, 2003, the County signed a contract to supply treated water to the Sarasota County Utility, acting through Sarasota County. This contract established a phase-out schedule, in which a current quantity of 8.0 MGD is reduced every five years, until the agreement expires on March 31, 2025 and Sarasota County no longer purchases

potable water from Manatee County. The phase-out schedule for reservation of water is as follows: (a) April 1, 2008 through March 31, 2015 - maximum daily reserve capacity of 8 MGD; (b) April 1, 2015 through March 31, 2020 - maximum daily reserve capacity of 6 MGD; (c) April 1, 2020 through March 31, 2025 - maximum daily reserve capacity of 5 MGD; and (d) after March 31, 2025 - maximum daily reserve capacity of 0 MGD. During the Fiscal Year 2017, Sarasota County Utility utilized approximately 71% (4.24 MGD) of its reserved water capacity on an average annual basis. The contract does not include specific rates, but references rates as established by the County pursuant to its rate resolutions. The rate currently charged is a monthly fixed charge of \$67,956, plus \$1.81 per 1,000 gallons for the water actually consumed up to 6.0 MGD. In Fiscal Year 2017, the County received \$3,547,737 from the sale of water to Sarasota County.

On December 11, 2012, the County entered into a contract with the City of Bradenton to supply potable water to specified areas of the City for a term of 20 years, with a ten year option to renew exercisable by either party. During the Fiscal Year 2017, the City of Bradenton utilized approximately 0.218 MGD of water capacity on an average annual basis. The rate currently charged, which may be adjusted by the County, consists of a monthly fixed charge of \$5,663, plus a volume charge of \$1.81 per 1,000 gallons. The contract may be terminated by either the City or the County upon payment of \$1,000,000 to the other party. In Fiscal Year 2017, the County received \$208,185 from the sale of water to the City of Bradenton.

On October 11, 2005, the County entered into a 14 year contract with the City of Palmetto (the "Palmetto Water Agreement") to provide potable water for the City of Palmetto. The Palmetto Water Agreement includes a ten year renewal option exercisable by either party. The Palmetto Water Agreement provides that the County will reserve 2.00 MGD of capacity in the County's potable water system, which the City of Palmetto may increase subject to payment of the then current Facility Investment Fees associated with the additional capacity requirements. During the Fiscal Year 2017, the City of Palmetto utilized approximately 74% of its reserved water capacity on an average annual basis. The rate currently charged, which may be adjusted by the County, consists of a monthly fixed charge of \$22,652, plus a volume charge of \$1.81 per 1,000 gallons. In Fiscal Year 2017, the County received \$1,230,551 from the sale of water to the City of Palmetto.

In addition to the aforementioned contracts, in 2011 and 2012 the County renewed the franchise agreements with the cities of Bradenton Beach, Anna Maria and Holmes Beach whereby the County received the exclusive right to supply water to the inhabitants of said cities. The franchise agreements, which have a remaining term of approximately 9 years, provide that the County shall bill the customers within such cities directly.

Wastewater Treatment

In 1975, the County completed construction of its southwest water reclamation facility (the "Southwest Water Reclamation Facility"), which currently is permitted to process 15.0 MGD of wastewater. The Southwest Water Reclamation Facility is located on a 300-acre site in the southwestern part of the County, about one-half mile from Sarasota Bay. The site provides a buffer between the treatment facilities and the surrounding residential area. The Southwest Water Reclamation Facility employs a Modified Ludzack-Ettinger (MLE) process with advanced secondary treatment provided by filtration and chlorination of the effluent. The effluent from the Southwest Water Reclamation Facility is discharged into the County's reclaimed water system which consists of reclaimed water storage, retention lakes and distribution facilities within the County, including a deep injection well for disposal of excess flow during periods of heavy and extended rainfall. The reclaimed water service area is identical to the wastewater system service area. Treated effluent is used for irrigation in a number of applications. Agricultural irrigation and sprayfields represent approximately 43% of the total usage while public access areas and landscape irrigation (golf course, residential and other public access areas) account for the remaining 57%.

In Fiscal Year 2017, the average daily flow to the Southwest Water Reclamation Facility site was 12.03 MGD. Treated effluent is delivered to the reclaimed water distribution system or storage ponds.

The Wastewater Division also includes two smaller subregional water reclamation facilities which serve the northern (the "North Regional Water Reclamation Facility") and southeastern (the "Southeast Water Reclamation Facility") areas of the County. These water reclamation facilities have permitted capacities of 7.5 MGD and 11.0 MGD, respectively.

In Fiscal Year 2017, the average daily flow to the Southeast Water Reclamation Facility was 8.39 MGD and the average daily flow to the North Regional Water Reclamation Facility was 3.12 MGD. Both water reclamation facilities employ an extended air-activated sludge form of secondary (biological) waste treatment. Preliminary treatment involves screening, grit removal and odor control (wet scrub). Secondary treatment includes anoxic zone, aeration zone, and clarification. The wastewater plants' effluent is filtered and chlorinated then delivered to the reclaimed water distribution system or to storage ponds.

Each of the County's water reclamation facilities is issued its own permit. The Southwest Water Reclamation Facility permit expires March 22, 2020. The Southeast Water Reclamation Facility permit expires November 15, 2025. The North Regional Water Reclamation Facility permit expires February 2, 2026. The County has only been cited for one violation within the last ten years. There was a protocol violation at the Southwest Water Reclamation Facility on September 17, 2008. This was resolved by

civil penalty December 23, 2009 for \$6,250. Payment of this penalty did not constitute an admission of liability. The MCUD has no reason to believe that each of its water reclamation facility operating permits will not be routinely renewed.

The Wastewater Division also operates a Biosolids Dryer facility that processes nearly 20,000 tons of solids residuals annually. Solids residuals are by-products of the wastewater treatment processes. Solids are treated to a Class AA standard, the highest quality achievable under the Federal Department of Environmental Protection ("FDEP") regulations. The pellets produced at the Dryer are marketed for use as fertilizer in agricultural operations. Both the Biosolids Dryer and the Southeast Plant are powered by a generator that is fueled by the gas generated at the County's Solid Waste Operations.

The County currently has a program to mitigate infiltration and inflow ("I/I") into the sewer collection system. The program includes extensive effort in the repair and replacement deficient sewer pipe and the sealing of manholes throughout the system.

On March 20, 1979, the Board adopted an ordinance providing that no subdivision or commercial development can obtain a construction permit unless the Director of the MCUD and the County Pollution Control Officer determine that there is sufficient capacity in the regional wastewater system to treat the additional wastewater flows from such subdivision or commercial development. The County's comprehensive plan, adopted in 1989, includes a similar requirement for new development in the County. If it is determined that sufficient capacity is not available in the regional wastewater system, then a subdivision or commercial development may construct an interim wastewater treatment plant. Any such interim wastewater treatment plant would be paid for by the developer and operated by the MCUD, and the interim wastewater treatment plant would be discontinued when sufficient capacity is available. New development may rely on septic systems only when (i) wastewater service is not "available" within the meaning of Florida Statute 381.0065, and (2) the property is exempted from connecting to the wastewater system under the limited circumstances allowed in the comprehensive plan. The County expects to meet all service needs from developers within its service area for the 2018-2022 capital improvement plan cycle. FDEP rules require the County to initiate plant expansion if the five year flow projection indicates a shortage of capacity. Master Plans for all three water reclamation facilities were completed in April 2017 and for the three wastewater service areas in late 2016/early 2017 by the County's Engineer of Record. The Master Plans provide information that is used to program capital improvement projects for up to twenty years in the future.

Wastewater Collection

Construction of most of the present wastewater collection facilities was completed in phases between 1974 and 1978. Subsequently, additional collection facilities were constructed through an EPA grant program, with construction taking place between 1983 through 1992.

Currently, the Wastewater Division continues to expand its facilities as growth occurs. Developers normally construct collection facilities for subdivisions, then dedicate those facilities to the County. The County has, from time to time, paid its proportionate cost of constructing off-site improvements that connect new development to the County's wastewater collection facilities. The County is currently evaluating its facility investment fee for wastewater (described in greater detail under the heading "THE WATER AND WASTEWATER DIVISION - Facility Investment Fee" herein) to determine if it provides funds sufficient to accommodate the anticipated requests for County participation in such improvements. Occasionally, the subdivision systems remain private. These privately owned facilities typically consist of wastewater collection lines and lift stations owned by a property owners association or a community development district which connect the customers in the subdivision to the System. No Revenues or proceeds of Prior Bonds have been used to construct or maintain these privately owned facilities and the County has no legal responsibility to maintain or replace these privately owned facilities. Historically, the County has required the private wastewater facilities to meet certain County standards and, if necessary, those facilities are improved at the owner's expense before the County will accept ownership of such facilities. While the County has not changed this practice, requests made by private systems are evaluated on a case-by-case basis. As such, the County may accept transfer of privately owned facilities and require the owners of such facilities to provide funds to cover a portion of the improvements as warranted by an engineering analysis. The County and its consultants have analyzed the cost of such policy change and determined that such change will not have a material adverse effect on the financial condition of the System or its ability to pay debt service on the Outstanding Bonds.

All of the force mains and interceptor lines constructed by the County are ductile iron or high density polyethylene pipe, which had an estimated useful life of 30 to 60 years when initially placed in service. All of the collector lines are polyvinyl chloride, vitrified clay pipe or ductile iron, which also had an estimated useful life of 30 to 60 years when initially placed in service. The collection facilities include close to 650 wastewater lift stations of which all but 15 are considered satellite lift stations. The remaining 15 stations are master pump stations with above ground buildings to house electrical and wet well/dry type pumping equipment arrangement including high level alarm systems and emergency generators. The Wastewater Division's collection system continues to grow at a rapid pace and many improvements have been and are being made, including enhanced remote monitoring of lift stations, a valve exercise program and a comprehensive evaluation of I&I affected areas.

Wastewater Treatment Contracts

The County has contracted to treat and dispose of the wastewater of the Town of Longboat Key and a portion of the wastewater of the City of Bradenton. All moneys

received by the County from these contracts are considered Revenues under the Resolution. The following is a summary of such contracts:

On November 17, 2009, the County entered into a 22 year contract with the Town of Longboat Key to treat all of the Town's wastewater (the "LBK Wastewater Agreement"). The LBK Wastewater Agreement includes a ten year option to renew by consent of both parties. The rate currently charged the Town of Longboat Key for wastewater treatment service consists of a monthly fixed charge of \$39,816, plus a volume charge of \$2.25 per 1,000 gallons for treated wastewater. The County has the right to adjust rates annually under the LBK Wastewater Agreement. In Fiscal Year 2017, the County received \$1,817,736 from the Town of Longboat Key for wastewater treatment.

On May 17, 1983, the County entered into a contract with the City of Bradenton whereby the City agreed to transmit County wastewater from Perico Island through its wastewater system and the County agreed to treat a portion of the City's wastewater. This contract expired May 17, 2013 and renewal/new contract was entered into on May 9, 2017. The County and the City have agreed to offset services provided to each other and to make net quarterly payments to the party which is owed money. The City, at its option, may also offset payments it is required to make to the County for its water supply to Perico Island against wastewater treatment it has supplied to the County.

In addition to the aforementioned contracts, in 2011 and 2012, the County entered into franchise agreements with the Cities of Bradenton Beach, Anna Maria Island and Holmes Beach whereby the County received the exclusive right to collect and treat wastewater in said cities. The franchise agreements, which have a remaining term of approximately 9 years, provide that the County shall bill the customers within the cities directly.

Mandatory Connections

The County has enacted an ordinance requiring mandatory connection to the Wastewater Division's wastewater facilities. A property owner is notified when wastewater service is available (within the meaning of Florida's public health regulations) and must connect within 120 days. The County also imposes restrictions on substances being discharged into the Wastewater Division's wastewater facilities through its federally mandated industrial pretreatment program. All industrial wastestreams are characterized and those dischargers meeting criteria outlined in the County Sewer Use Ordinance are issued permits that regulate pollutant levels received into the wastewater system.

Water and Wastewater Rates

The County rates for water and wastewater are set by the Board by resolution (the "Utility Rate Resolution") which, among other things, increased the water and wastewater rates effective April 1, 2017 and April 1, 2018. The water and wastewater rates consist of a fixed service charge and a volumetric charge for water consumed.

The following table outlines the adopted and historical rates for residential consumption of 6,000 and 10,000 gallons per month.

<u>Effective Date</u>	Historic Residential Rates⁽¹⁾					
	6,000 <u>Water</u>	10,000 <u>Water</u>	6,000 <u>Wastewater</u>	10,000 <u>Wastewater</u>	6,000 <u>Total</u>	10,000 <u>Total</u>
April 2018	\$23.13	\$34.53	\$52.72	\$72.84	\$75.85	\$107.37
April 2017	22.22	33.18	50.71	70.07	72.93	103.25
January 2016	21.37	31.91	48.75	67.36	70.12	99.27
January 2015	20.41	30.46	46.54	64.31	66.95	94.77
November 2012	19.48	29.08	44.43	61.39	63.91	90.47
November 2011	18.89	28.21	43.16	59.64	62.05	87.85
January 2011	18.36	27.40	41.90	57.90	60.26	85.30
October 2008	17.28	25.72	38.14	52.01	55.42	77.73
October 2007	16.46	24.50	34.97	47.69	51.43	72.19
October 2006	14.61	21.37	33.29	44.89	47.90	66.26
October 2005	14.17	20.73	32.33	43.59	46.50	64.32
October 2003	13.29	19.41	28.80	38.83	42.09	58.24

(1) Based on 6,000/10,000 gallons/month.
Source: Manatee County, Florida

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The following is a summary of certain existing Water Division rates of the County, all as contained in the Utility Rate Resolution.

Monthly Water Fixed Service Charge
Schedule of Monthly Water Division Rates for Service

	Existing	Effective April 2018
Individual Meters:		
Monthly Base Charges:		
Meter Size		
5/8"-3/4"	\$9.08	\$9.45
3/4"	12.29	12.78
1"	18.70	19.45
1-1/2"	34.75	36.14
2"	54.00	56.16
3"	98.91	102.87
4"	163.07	169.59
6"	323.48	336.42
8"	515.98	536.62
10"	740.55	770.17
12"	1,382.19	1,437.48
Residential Master Meters:		
Single-Family Residential	\$6.84/unit	\$7.11/unit
Condominium/Apartment/Hotel/Motel	\$4.88/unit	\$5.09/unit
Mobile Home Park/Travel Trailer Park	\$3.74/unit	\$3.89/unit
Combined residential Potable Water Line/Fire Line:		
Monthly Base Charges:		
Meter Size		
3/4"	\$9.08	\$9.45
1"	\$12.29	\$12.78
Large Users and Wholesale:		
Monthly Base Charges:		
Per 1,000,000 Gallons of Reserve Capacity	\$11,325.00	\$11,778.00

Source: Manatee County, Florida.

Monthly Wastewater Fixed Service Charge

The following is a summary of certain existing Wastewater Division rates of the County, all as contained in the Utility Rate Resolution.

Schedule of Monthly Wastewater Division Rates for Service

	Existing	Effective April 2018
Individual Meters:		
Monthly Base Charges:		
Meter Size		
5/8"-3/4"	\$21.67	\$22.54
3/4"	31.05	32.29
1"	49.74	51.73
1-1/2"	96.54	100.40
2"	152.67	158.78
3"	283.69	295.04
4"	470.85	489.68
6"	938.73	976.28
8"	1,500.21	1,560.22
10"	2,155.26	2,241.47
12"	4,026.82	4,187.89
 Residential Master Meters:		
Single-Family Residential	\$19.56/unit	\$20.34/unit
Condominium/Apartment/Hotel/Motel	\$13.09/unit	\$13.61/unit
Mobile Home Park/Travel Trailer Park	\$10.46/unit	\$10.88/unit
 Large Users and Wholesale⁽¹⁾:		
Monthly Base Charges:		
Per 1,000,000 Gallons of Reserved Capacity	\$17,617.00	\$18,322.00

Table continued on following page.

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Schedule of Monthly Wastewater Division Rates for Service (continued)

	<u>Existing</u>	<u>Effective April 2018</u>
Wastewater Temporary Use:		
Base Charges (Quarterly):		
3/4"	\$94.44	\$98.22
2"	458.04	476.37
 Unmetered Customers:		
Monthly Base Charges:		
Single-Family Residential	\$50.71	\$52.74
Commercial		
Class 1 & Single-Family (Assumed 6,000 Gallons)	\$50.71	\$52.74
Class 2 (Assumed 6,000 - 10,000 Gallons)	69.79	72.85
Class 3 (Assumed 10,000 - 25,000 Gallons)	115.80	120.44
Class 4 (Assumed 25,000 - 75,000 Gallons)	273.18	284.11
Class 5 (Assumed Greater than 75,000 Gallons)	534.00	555.36
Class 6 - Mobile Home/Trailer (Assumed 3,600 Gallons)	27.89/Unit	29.01/Unit
Class 7 - Condo /Apartment (Assumed 4,500 Gallons)	34.87/Unit	36.27/Unit
 Monthly Retail Quantity Rates:		
Wastewater Rates Per 1,000 Gallons		
Individually Metered	\$4.84	\$5.03
Wastewater Only	\$4.84	\$5.03
 Wholesale ⁽¹⁾		
Up to Daily Reserve Capacity	\$2.25	\$2.34
Excess Over Daily Capacity	\$4.51	\$4.69

⁽¹⁾ The County currently provides wholesale wastewater service to the Town of Longboat Key with a reserved capacity of 2.26 mgd.

Source: Manatee County, Florida.

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The following table is a summary of certain existing and adopted reclaimed water rates (such rates being considered as a component of the Wastewater Division) of the County.

Monthly Retail Reclaimed Quantity Rates:	<u>Existing</u>	<u>Effective April 2018</u>
Reclaimed Water Rates Per 1,000 Gallons		
Agricultural Facilities	\$0.10	\$0.11
Large Recreational Facilities	0.21	0.21
Government Facilities	0.34	0.36
Large Commercial, Industrial (Over 500,000 Gallons Per Day)	0.34	0.36
Residential and Commercial Common Areas	0.34	0.36
Master Metered Residential and Commercial	0.34	0.36
Individually Metered Residential and Commercial and Industrial	0.86	0.89

Source: Manatee County, Florida.

The following table outlines the single-family residential water and wastewater bills in the County and surrounding areas.

**Single-Family Residential Water and Wastewater Bills
in County and Surrounding Areas
(as of September 30, 2017)⁽¹⁾**

	Water		Wastewater		Total	
	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>
Manatee County	\$22.22	\$33.18	\$50.71	\$70.07	\$72.93	\$103.25
Sarasota County	31.99	48.81	60.13	90.29	92.12	139.10
Hillsborough County	35.69	55.21	40.52	49.42	76.21	104.63
Pinellas County	36.27	56.07	42.73	62.29	79.00	118.36
Charlotte County	50.86	72.82	60.59	78.99	111.45	151.81
City of Tampa	19.51	37.36	28.26	47.10	47.77	84.46
City of Bradenton	30.94	44.94	38.58	55.14	69.52	100.08
City of St. Petersburg	35.30	58.88	45.10	66.06	80.40	124.94

⁽¹⁾ Based on 6,000/10,000 gallons/month.

Source: Manatee County, Florida.

Water and Wastewater Connection Fees

The County has adopted the following connection fees for the initiation of water and wastewater service. The fees reflect the cost of a meter installation and the service connection (i.e., the connection or tap to the water main and the connection to the wastewater collection system). The monies collected through the water and wastewater

connection-related fees represent an operating revenue to the Public Utilities System (and are included as a component of Gross Revenue in the Resolution). Certain water and wastewater fees are summarized below.

Water Connection Fees		
Meter Size (in inches)	Minimum Cost Developer Installed	Minimum Cost County Installed
5/8 - 3/4	\$300.00	\$675.00
3/4	340.00	715.00
1	360.00	735.00
1-1/2	485.00	860.00
2	590.00	965.00
Greater than 2	Actual Cost	Actual Cost

Wastewater Connection Fees (Developed Properties with Metered Potable Water Service)	
Meter Size (in inches)	Line Connection Fee
Residential	\$3,500.00 per dwelling unit
5/8-3/4	3,500.00 per meter
3/4	4,000.00 per meter
1	6,000.00 per meter
1-1/2	11,000.00 per meter
2	17,000.00 per meter
3	22,000.00 per meter
4	34,000.00 per meter
6	44,000.00 per meter
8	68,000.00 per meter
10	78,000.00 per meter

Source: Manatee County, Florida.

Facility Investment Fee

The County has adopted Facility Investment Fees for water and wastewater which are established for the purpose of reimbursing the equitable share of the capital costs relating to the construction, expansion or equipping of excess capacity necessary to serve new users of the Water and Wastewater Divisions. However, at this time the Facility Investment Fees are not pledged as security for any Bonds issued under the Resolution and are not part of the Net Revenues under the Resolution. The County is currently evaluating its Facility Investment Fee for wastewater to determine if it provides funds

sufficient to accommodate anticipated costs of County participation in off-site improvements to connect new development to the County's wastewater collection facilities.

The table below summarizes certain County Facility Investment Fees.

<u>Meter Size (inches)</u>	<u>Water</u>	<u>Wastewater</u>
5/8" x 3/4"	\$ 1,970	\$ 3,027
3/4"	2,955	4,541
1"	4,925	7,568
1 1/2"	9,850	15,135
2"	15,760	24,216
3"	31,520	48,432
4"	49,250	75,675
6"	98,500	151,350
8"	157,600	242,160
10"	226,550	348,105
>10"	\$7.164/gallon per day	\$14.414/gallon per day

Source: Manatee County, Florida.

Collection Practices; Delinquencies

The County bills the customers of the Water and Wastewater Divisions on a monthly basis. Water and wastewater service is billed jointly by the County. The entire billing process is computerized. In the event of nonpayment of a bill by the next successive billing date, the policy of the County is to send written notice to water customers that service will be terminated to the extent permitted by law unless payment is made within the next succeeding fifteen-day period. If payment is not forthcoming at the end of that period, water service to the delinquent customer may be disconnected and the matter is subsequently given by the County to a collection agency.

At the end of Fiscal Years, 2016, 2015 and 2014, the over-60-day delinquent accounts receivable of the Water and Wastewater Divisions as a percentage of operating revenue was 1.16%, 2.35% and 1.47%, respectively. Historically, the County has collected over 90% of such delinquencies.

Regulation

The United States Environmental Protection Agency and the FDEP promulgate various regulations which are applicable to the operation of the Water and Wastewater Divisions. Regulations deal primarily with the quality of effluent discharged from the Wastewater Division's wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, the discharge of pollutants into the groundwater and the nature of waste material discharged into the collection facilities. Associated with the

regulations are various monitoring and reporting requirements. In addition, EPA and FDEP have also promulgated regulations in regard to grant moneys that have been received by the County for the planning, design and construction of various projects. The grant-related regulations touch upon a wide variety of matters, including planning, methodologies, design criteria, construction activities, and the operation, maintenance and financing of facilities.

All of the County's wastewater treatment plants are properly permitted. Since 2010 there have been only four permit violations related exclusively to unpermitted discharges. The discharges, due to severe wet weather and hurricanes, did not result in any regulatory enforcement actions. The County is not facing any EPA or FDEP mandated schedules for elimination of discharges, or any wastewater related administrative orders or consent decree decisions. The County is also in compliance with all grant-related regulations and requirements.

In addition to regulation of the wastewater treatment facilities, EPA and FDEP regulate the quality of the Water Division's water. The County is currently in compliance with all applicable regulations relating to water quality. The consumptive use of water is administered by the Southwest Florida Water Management District (the "District") through a permitting system, pursuant to which water resources are divided among the permitted consumers. At the present time, the County operates under a 20-year consolidated consumptive use permit issued by the District in 2012 which authorizes a combined average monthly withdrawal of 54.386 MGD and a maximum monthly withdrawal of 70.374 MGD for the reservoir, East County Wellfield and future Buffalo Creek Wellfield. Additionally, the County is permitted to withdraw 1.96 MGD average daily and 1.96 MGD maximum monthly from the IMC Fertilizer wellfield.

Current Five Year Capital Improvement Program

The County's adopted five year capital improvement program for water and wastewater calls for the expenditure of approximately \$237.6 million on the Water and Wastewater Divisions through Fiscal Year 2022. Of this amount, approximately \$65 million is to be funded with future debt proceeds. The remaining amount will be funded from Net Revenues and Facility Investment Fees on a "pay as you go" basis or from proceeds of additional debt if permitted under the Resolution. These improvements include line extensions, rehabilitation of existing facilities, a wastewater plant expansion, water supply and treatment expansion, a recharge well and other capacity improvements.

Capital Improvement Program Fiscal Years 2018 - 2022

SOURCES:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>TOTAL</u>
Debt Proceeds	\$39,875,200	\$15,783,800	\$ 8,690,000	-	-	\$ 64,349,000
Facility Investment Fees	7,876,000	517,875	2,907,000	\$ 1,400,000	\$ 1,400,000	14,100,875
Utility Rates	37,360,501	27,375,110	23,432,343	41,717,325	29,269,894	159,155,173
	<u>\$85,111,701</u>	<u>\$43,676,785</u>	<u>\$35,029,343</u>	<u>\$43,117,325</u>	<u>\$30,669,894</u>	<u>\$237,605,048</u>

USES:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>TOTAL</u>
Distribution/Collection System	\$ 7,540,600	\$ 945,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$11,785,600
Restore/Rehabilitation	13,284,901	19,597,735	17,791,157	21,342,080	15,239,894	87,255,767
Potable Water Supply	300,000	300,000	300,000	300,000	300,000	1,500,000
Transportation Related	145,000	700,000	1,142,546	1,109,000	2,000,000	5,096,546
Treatment	63,841,200	22,134,050	14,695,640	19,266,245	12,030,000	131,967,135
	<u>\$85,111,701</u>	<u>\$43,676,785</u>	<u>\$35,029,343</u>	<u>\$43,117,325</u>	<u>\$30,669,894</u>	<u>\$237,605,048</u>

Since the County's adoption of the above-described five year capital improvement program, investigations conducted as part of the Phase 2 Dam Repair project have indicated a need for a more substantial rehabilitation. While the County is still evaluating the most cost-effective method of implementing such repairs, the County anticipates that the cost of such repairs will not have a material adverse effect on the financial condition of the Public Utilities System or affect its ability to pay debt service on the Outstanding Bonds.

THE SOLID WASTE DIVISION

Background

The County is authorized to own and operate a solid waste disposal facility in accordance with the provisions of Section 403.087, Florida Statutes. The planning, design, operation, and maintenance of solid waste disposal facilities within the County is the responsibility of the MCUD Solid Waste Division.

Administration and Employees

The Solid Waste Division, as an integral part of the overall Public Utilities System, is overseen by the County's Director of the MCUD.

The Solid Waste Division's responsibilities include curbside collection for all solid waste within unincorporated Manatee County, collection, promotion and education for all recyclables generated within the unincorporated area of the County and management of all landfill operations inclusive of recycling of all special waste generated within the

entire County. Compliance with state statutes, permitting and environmental directives is also closely monitored to ensure that mandated requirements are constantly maintained. Responsibility for the planning and implementation of long-range solid waste management goals falls upon the MCUD Director, with the assistance of the MCUD Deputy Director and the Solid Waste Division Manager.

The Solid Waste Division is managed as an enterprise fund, self-supported through solid waste rate and fee revenues. The MCUD Business Operation Division oversees the data processing, billing, collection and other financial services for the Solid Waste Division. Bills are processed monthly, with receipts processed promptly. Solid waste charges are collected in the same manner as water and wastewater bills, via a combined invoice. Delinquent accounts are identified and delinquency notices are mailed after 45 days. Inactive delinquent accounts are pursued by the MCUD collection department and by collection agents for the County.

Existing Facilities

The Lena Road Landfill (the "Landfill") property is located near the intersection of I-75 and Hwy 64 on approximately 1,200 acres, of which 316 acres are permitted for actual landfill disposal. The remaining 914 acres was left in its natural state to provide a buffer for the landfill area. In 2008, existing facilities within the permitted disposal area were demolished. Construction of new facilities, including an administration building, operations building, equipment repair building and community drop-off center was completed the same year. In 2013, a public restroom facility was constructed for customer use. These new facilities are contiguous to the disposal area, reflecting a campus style design.

The County installed a methane gas burning 1.6 megawatt Caterpillar 3520C generator to offset electric power bills for the Southeast Regional Wastewater Reclamation Facility. This generator is powered by the methane gas collected from the well field located in the Lena Road Landfill. Construction started on April 29, 2013 and the generator went online producing power on December 15, 2013. The cost for this facility was approximately \$4,481,000. In June 2016, the waste disposal operations were moved from the Stage III area to the Stage II area (final stage) of the landfill. Prior to operating in the Stage II area of the landfill, stormwater, leachate, and soil management had to be designed, permitted and constructed. Additionally, to prepare for the transition, new perimeter fencing and pavement were installed around the Stage II area. The cost for the preparatory work for Stage II totaled approximately \$4,103,000 which were paid for by available moneys in the Public Utilities System.

The County has constructed a slurry wall around the 316 acre Landfill area which is used for leachate management. The slurry wall is a subsurface wall which follows the perimeter of the existing Landfill and extends downward to the aquiclude over the Floridian aquifer.

The County Landfill is being managed and operated in accordance with regulations established by the FDEP and consistent with the terms and conditions of FDEP operating and construction permits. The County also has outside contractors to manage special waste which is done primarily to divert the volume of material to be landfilled, thereby extending the life of the site.

The current operations permit for the landfill expires on March 24, 2036. There have been no citations, violations or consent orders regarding the operation of the landfill over the last five years.

The slurry walls, leachate collection system and stormwater management systems at the Landfill site are all relatively new and in good condition. The capacity of the landfill was estimated by the County's solid waste engineering consultant on March 8, 2017, to have a remaining capacity of 28.04 years.

Recycling

Part IV, Chapter 403, Florida Statutes, which is the Florida Resource Recovery and Management Act, among other things, requires the County, in the administration of its solid waste management and recycling programs, to provide reduction of the amount of solid waste generated within the County and the municipalities within its boundaries. The Florida Resource Recovery and Management Act establishes goals for the reduction of local government solid waste prior to the final disposal or incineration of such waste at a solid waste disposal facility.

The State of Florida has a recycling goal of 75% to be achieved by December 31, 2020. The goal was passed in the legislative session in 2010. The goal is to be achieved in increments, 40% by December 30, 2012, 50% by year end of 2014, 60% by year end 2016, 70% by year end 2018, and 75% at the end of 2020. Effective October 1, 2016, the County implemented single stream recycling collection. The County's recycling rate was 55% at the end of 2016.

Deposit to the Closure Trust Fund

Section 403.7125, Florida Statutes, requires the owner or operator of a landfill to ensure the availability of financial resources for the proper closure of a landfill. The County has established an escrow account into which have been and will be deposited sufficient moneys for closure of the Landfill in accordance with FDEP requirements. Although such closure reserves are treated as operating expenses for accounting purposes, pursuant to the Resolution they are specifically excluded from the definition of Operating Expenses of the Public Utilities System. Therefore, for purposes of the Resolution, transfers to this escrow account are made after the payment of debt service on the Series 2017 Bonds. The Public Utilities System currently makes a yearly contribution to the escrow account. Interest generated by the escrow account is retained in the fund

for use in closure operations. In Fiscal Year 2016, the amount on deposit in such escrow account, including interest, amounted to \$35,416,000.

Current Five Year Capital Improvement Program

The MCUD's current capital improvement program for solid waste calls for a total expenditure of approximately \$7.3 million over the five year period ending Fiscal Year 2022, expected to be funded annually from revenues derived from the operation of the Public Utilities System. The budgeted projects include a new operations storage building (\$558,000), construct phase II of the expansion of the gas electric facility (\$5 million) and an expansion of the gas collection system (\$1.8 million).

Franchise Agreements

In 2008, Manatee County entered into two franchise agreements with waste haulers, Waste Management Inc. of Florida and Waste Pro of Florida, Inc. (each an "Authorized Collector"). Each Authorized Collector has a contract for one part of the County which is split into two, roughly equal portions. The franchise agreements originally expired on September 30, 2016. However, the agreements provide for one additional term of seven years following a public hearing regarding such renewal by the Board which occurred on September 9, 2014 extending the franchise agreements to September 30, 2023.

The customer base of the Solid Waste Division consists of the population in the unincorporated areas of the County. Collection service is mandatory for both residential and commercial property.

Solid Waste Rates

The rates for solid waste collection and disposal services are set by the Board by Resolution (the "Solid Waste Rate Resolution"). The rates for solid waste collection service are based, in part, on the cost for solid waste collection service provided the Authorized Collectors pursuant to the franchise agreement in the specified collection service area. With respect to the residential solid waste collection rates, the County bills the customer for the collection of trash and yard waste/ recyclable materials (if an applicable service required by the customer), cost of disposal, and a franchise fee. The County remits to the Authorized Collector the cost of collection at a unit cost or amount as initially delineated in the franchise agreement (which is annually adjusted for certain inflationary allowances) and retains the remainder of the fee charged. The County has initiated a review of the current solid waste collection and disposal rates and anticipates the need for additional rate adjustments over the next several years to offset continued inflation of the cost of operations and maintenance, such as contracted collection expenses, operating supplies, utility and other expenses.

Hauling Fee and Other Revenues

Revenue sources for the Solid Waste Division include the tipping fee which is charged for all tonnage entering the Landfill that is not covered by the franchise agreements. This includes the island communities of Holmes Beach, Bradenton Beach, Anna Maria Island and Town of Longboat Key, the Cities of Bradenton and Palmetto, Trailer Estates and other local businesses that bring materials directly to the Landfill.

The customer base of the Landfill consists of the population in the unincorporated and incorporated areas of the County. Customer rate revenue is the largest revenue source. A portion of residential and commercial customer rates represent revenue to offset landfill and recycling costs, and billing and administrative costs.

The haulers rate is subject to an annual review, with adjustments made on that basis. The current hauling and tipping fee costs for a single family customer with twice-a-week garbage service, including once-a-week separate collection of yard waste and recyclable materials is \$13.61 a month.

Also, solid waste application, decal and tipping fees administrative fees are charged to the private haulers for the cost of billing and collection. Permit fees are charged to businesses that choose to haul their own refuse, such as lawn care businesses, within unincorporated County. In addition, interest is earned on fund balances.

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The following presents historic tipping fee rates.

Historic Tipping Fee/Ton Rates

<u>Fiscal Year</u>	<u>Fee Portion</u>
2016	\$40.00
2015	40.00
2014	36.00
2013	36.00
2012	36.00
2011	36.00
2010	36.00
2009	36.00
2008	36.00
2007	33.00
2006	33.00
2005	28.00

Source: Manatee County, Florida.

The table on the next page represents the Solid Waste Tipping Fee comparison.

**Manatee County
Solid Waste Tipping Fee Comparison
(as of September 30, 2017)**

LANDFILL TIPPING FEES

Manatee County		
Autos		\$5.00/Min.
All Other Vehicles		
In-County		\$40.00/Ton
Out-of-County		\$120.00/Ton
Const. & Demolition Debris		
In-County		\$61.00/Ton
Out-of-county		\$183.00/Ton
Tires		\$86.00/Ton
Lee County		
Standard Waste		
In-County		\$37.45/Ton
Out-of-County		Not Accepted
Construction & Demolition Debris		
In-County		\$31.75/Ton
Tires		\$80.00/Ton
Sarasota County		
Standard Waste		
In-County		\$57.56/Ton
Out-of-County		Not Accepted
Construction & Demolition Debris		
In-County		\$48.96/Ton
Tires		\$158.60/Ton
Charlotte County		
Standard Waste/Construction & Demolition Debris		
In-County		\$36.00/Ton
Out-of-County		\$72.00/Ton
Tires		\$115.00/Ton
DeSoto County		
Standard Waste/Construction & Demolition Debris		
In-County		\$42.00/Ton
Out-of-County		\$84.00/Ton
Tires		\$200.00/Ton
Hillsborough County		
Standard Waste/Construction & Demolition Debris		
In-County		\$61.81/Ton
Out-of-County		Not Accepted
Tires		\$71.50/Ton
Pinellas County		
Standard Waste/Construction & Demolition Debris		
Passenger Car		\$2.00 per load
Pickup Trucks		\$10.00 per load
In-county		\$37.50/Ton
Out-of-county		Not accepted
Tires		\$37.50/Ton

Source: Manatee County, Florida.

THE STORMWATER MANAGEMENT SYSTEM

At this time, the County does not receive any fee revenues from the operation of its Stormwater Management System. The operation and maintenance expenses are charged against the Public Utilities System and funded by revenues from the Public Utilities System and the Transportation Trust Fund and Gas Taxes.

Background

The County has created a Stormwater Management System in order to meet current Federal and State regulations for stormwater discharge. Pursuant to its Comprehensive Plan, the County identified the need to reduce flooding and improve surface water quality in the County.

Administration

The Stormwater Management System is jointly managed by the Manatee County Public Works and the Parks and Natural Resources Departments.

Existing Facilities

The Stormwater Management System consists primarily of 990 miles of open ditches and canals. Maintenance is limited primarily to controlling vegetation and removing sediments. Off-road drainage ditches and canals are typically inspected on a monthly basis. Aquatic maintenance is scheduled a minimum of twice per year. In 2017, 200,706 linear feet of roadside ditches were maintained; 54,452 linear feet of off-road canals and ditches were maintained; 956.3 acres of ponds, ditches, and other drainage features were sprayed; 70,266 linear feet of vegetation was cleared; 1,530 inlets were cleared; and 169,060 linear feet of pipes were flushed.

Service Area

The County has the primary responsibility for stormwater management within the unincorporated areas of the County, with the various municipalities having responsibility for stormwater management within their corporate limits. The current capital improvement program for the County, as more fully described herein, calls for enhanced stormwater services in the unincorporated areas of the County.

The County is pursuing a basin-by-basin planning effort in recognition of requirements of the federal National Pollutant Discharge Elimination System ("NPDES") programs, rather than a more limited approach which deals only with drainage and flood control. Basin by basin planning addresses water quality, as well as drainage and flood control issues. Basin-by-basin planning also takes into account topographic and hydrogeologic features of the area wherever possible, in order to restore or create

wetlands, for both stormwater purposes and for the infiltration of such waters to recharge aquifers.

Regulations

Stormwater quality discharge is regulated by the EPA through its NPDES permit process, the DEP and the State Water Management Districts. The regulations establish NPDES permit application requirements for stormwater discharges from industrial activities and governmental storm wastewater systems serving populations of 100,000 or more. The County's current NPDES MS4 Intent to Issue permit was issued on January 1, 2013 and is valid for a period of five years from the date of issuance. The current MS4 permit remains in administrative effect until renewal permits are issued. The County is currently seeking renewal of this permit and is not aware of any reason why such permit would not be issued. The County has an approved Stormwater Monitoring Program for this permit and has fully implemented the Stormwater Management Program. There have been no violations or citations associated with this permit.

Comprehensive Plan

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regulation Act (the "Planning Act"). The Planning Act required all local governments to develop comprehensive plans designed to plan for and control the impact of growth. As applied to the County, the local plan includes the following elements: (i) future land use; (ii) transportation; (iii) utilities; (iv) economic development; (v) housing; (vi) historic preservation; (vii) conservation; (viii) recreation and open space; (ix) intergovernmental coordination; and (x) capital improvements (the "Comprehensive Plan").

Currently, the Water, Wastewater and Solid Waste Divisions are in compliance with adopted levels of service identified in the Comprehensive Plan. Therefore, future development should not be impeded. The Stormwater Management Division has some deficiencies in certain areas of the County but the County anticipates that all deficiencies will be corrected in accordance with the Comprehensive Plan. New residential or commercial development within the County will only be allowed if the new development meets the stormwater level of service standards set forth in the Comprehensive Plan and does not impact existing, publicly maintained drainage systems.

Current Five Year Capital Improvement Program

There are three capital improvement projects scheduled for Fiscal Years 2018 through 2022. The three projects total \$1,610,000 and include: GT Bray Drainage Pipe (\$900,000), Pipe Lining in Specific Neighborhoods (\$300,000) and Stormwater Pipe Replacement – Countywide (\$410,000). In addition to the completed basin studies, there are a few basin studies in progress. The results of the basin studies have been utilized to

reinforce the County's development regulation for new developments within the study area. The restricted development requirements, in conjunction with the County's proactive maintenance program has resulted in a significant reduction in flooding problems compared to flooding in mid-1990's.

The operating budget for the Stormwater fund is \$7,457,091 for Fiscal Year 2018. The Stormwater fund receives most of its revenues from the consolidated Public Utilities System. In addition to the Stormwater fund, there are other funding sources used for the Stormwater Management System, including \$1,114,344 from the Transportation Trust Fund and \$1,003,511 in the Fifth & Sixth Cent Gas Tax fund for stormwater-related activities in the adopted Fiscal Year 2018 budget.

Revenues and Expenses

The County does not currently charge a stormwater management fee to the residents of the County.

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HISTORIC OPERATING RESULTS OF SYSTEM

The table below sets forth a summary of the historic operating results of the County's Water, Wastewater, Solid Waste and Stormwater Management Divisions for each of the five Fiscal Years ended September 30, 2012 through September 30, 2016. Presently, the Stormwater Management Division does not generate revenues. The coverage ratios contained in the table are for general information purposes only.

Summary of Historical System Operating Results and Debt Coverage⁽¹⁾

Description	Historical Fiscal Year Ended September 30,				
	2012	2013	2014 ⁽¹¹⁾	2015	2016
Charges for Services	\$137,419,000	\$140,781,000	\$143,505,000	\$150,415,000	\$162,432,000
Miscellaneous Revenues & Interest Income ⁽²⁾	1,530,000	1,062,000	2,181,000	3,311,000	5,831,000
Total Gross Revenues	\$138,949,000	\$141,843,000	\$145,686,000	\$153,726,000	\$168,263,000
Total Operating Expenses ⁽³⁾	\$ 94,349,000	\$ 95,356,000	\$104,907,000	\$109,517,000	\$116,682,000
Net Revenues	\$ 44,600,000	\$ 46,487,000	\$ 40,779,000	\$ 44,209,000	\$ 51,581,000
Net Revenue Ratio	32.10%	32.77%	27.99%	28.76%	30.65%
Federal Direct Payments ⁽⁴⁾	1,722,000	1,970,000	1,752,000	1,750,000	1,759,000
Net Revenues Adjusted for Federal Direct Payment	\$ 46,322,000	\$ 48,457,000	\$ 42,531,000	\$ 45,959,000	\$ 53,340,000
Outstanding Bonds:					
Annual Debt Service Requirement	\$ 20,647,118	\$ 20,855,028	\$ 14,445,284	\$ 15,752,076	\$ 17,519,686
Calculated Coverage	2.24	2.32	2.94	2.92	3.05
Required Coverage	1.15	1.15	1.15	1.15	1.15
Subordinate Obligations: ⁽⁵⁾					
Net Revenues after Outstanding Bonds Payments	\$ 25,674,882	\$ 27,601,972	\$ 28,085,716	\$ 30,206,924	\$ 35,820,314
Subordinate Obligations Debt Service Requirement					
State Revolving Loan Fund	\$ 707,355	\$ 707,355	\$ 707,355	-	-
Calculated Coverage	36.30	39.02	39.71	-	-
Required Coverage	1.15	1.15	1.15	-	-
Net Available for Other Required Transfers ⁽⁶⁾	\$ 24,967,527	\$ 26,894,617	\$ 27,378,361	\$ 30,206,924	\$ 35,820,314
Other Required Transfers:					
Debt Service Reserve Account ⁽⁷⁾	-	-	-	-	-
Other Allocated Debt - Series 2013 Bonds ⁽⁸⁾	-	\$ 77,294	\$ 77,370	\$ 357,564	\$ 341,832
Net Available for Capital Improvement Fund Transfer ⁽⁹⁾	\$ 24,967,527	\$ 26,817,323	\$ 27,300,991	\$ 29,849,360	\$ 35,478,482
System Facility Investment Fees	7,276,902	12,614,743	11,970,936	13,951,254	16,814,507
Total Available for Other System Purposes ⁽¹⁰⁾	\$ 32,244,428	\$ 39,432,066	\$ 39,271,927	\$ 43,800,614	\$ 52,292,989

⁽¹⁾ Amounts shown derived from audited financial statements and reflect historical financial operating results.

⁽²⁾ Amounts shown do not include interest income earned on balances in the Restricted Construction Fund(s) (earnings restricted to such account by resolution or law), or any unrealized gain or loss on the fair market adjustment of investments (to recognize realized earnings).

⁽³⁾ Amounts shown do not include depreciation or amortization expenses pursuant to the Resolution.

⁽⁴⁾ Amounts shown include Federal Direct Payments received from the federal government associated with the issuance of the Series 2010 Bonds; for the purposes of determining compliance with the rate covenant required by the Resolution, the Federal Direct Payments are included as a component of Net Revenue.

⁽⁵⁾ The County has secured a low-interest loan through the State Revolving Loan Fund Program. Pursuant to the Loan Agreement, the County has pledged the Net Revenues, net of any parity bonds debt service payments. Subsequent to September 30, 2014, the loan was repaid in its entirety.

⁽⁶⁾ Amount represents the available Net Revenue after the payment of the Annual Debt Service Requirement and the loan repayment of the Subordinate Obligation.

⁽⁷⁾ The Debt Service Reserve Account on the Outstanding Bonds are secured by a cash funded reserve from proceeds of such Bonds at the time of issue or a Reserve Account Credit Facility Substitute equal to the applicable Debt Service Reserve Requirement for each series of Outstanding Bonds; therefore, no additional required transfers are reflected during the Historical Period.

⁽⁸⁾ Represents allocated debt service payments on the \$79,640,000 in Revenue Refunding and Improvement Bonds, Series 2013 (the "County 2013 Bonds") which are secured from County non-ad valorem revenues of the General Fund which a portion was attributable to funding certain Solid Waste System projects (from the proceeds of the original issue which was recently refunded). Since the County budgets and allocates a portion of the debt service on the County 2013 Bonds to the Solid Waste System, such amounts were considered as a required transfer for the purposes of presentation of the historical system operating results and rate covenant compliance with the provisions of the Resolution.

⁽⁹⁾ Pursuant to the Resolution, all available revenue after payment of Operating Expenses, deposits, if any, to the Rate Stabilization Fund, satisfy the Annual Debt Service Requirement on all Bonds, and required transfers shall be deposited into the Capital Improvement Fund for the benefit of the Public Utilities System. Generally, this account is used by the County to fund ongoing capital expenditures that are not funded by Public Utilities System debt and other funding obligations of the Public Utilities System.

⁽¹⁰⁾ Amounts shown are prior to annual transfers of \$2,945,142 for watershed management protection (e.g., conservation land acquisition) to the General Fund.

⁽¹¹⁾ Fiscal year 2014 expenses have been restated due to the implementation of GASB 68. Fiscal year 2013 and prior have not been restated.

Source: Manatee County, Florida.

UNAUDITED PRO FORMA OPERATING RESULTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

The table below sets forth an unaudited pro forma summary of the operating results of the County's Water, Wastewater, Solid Waste and Stormwater Management Divisions for the Fiscal Year ended September 30, 2017. Presently, the Stormwater Management Division does not generate revenues. The coverage ratios contained in the table are for general information purposes only. **OPERATING EXPENSES DO NOT INCLUDE PENSION ADJUSTMENTS NOT AVAILABLE AT THE TIME OF PUBLICATION. HISTORICALLY, SUCH ADJUSTMENTS WERE MATERIAL.**

Summary of Unaudited Pro Forma System Operating Results and Debt Coverage⁽¹⁾	
Charges for Services	\$172,437,000
Miscellaneous Revenues & Interest Income ⁽²⁾	4,869,000
Total Gross Revenues	\$177,306,000
Total Operating Expenses ⁽³⁾	\$112,475,000
Net Revenues	\$ 64,831,000
Net Revenue Ratio	36.56%
Federal Direct Payments ⁽⁴⁾	1,757,000
Net Revenues Adjusted for Federal Direct Payment	\$ 66,588,000
Outstanding Bonds:	
Annual Debt Service Requirement	\$ 17,343,066
Calculated Coverage	3.84
Required Coverage	1.15
Subordinate Obligations: ⁽⁵⁾	
Net Revenues after Outstanding Bonds Payments	\$ 49,244,934
Subordinate Obligations Debt Service Requirement	
State Revolving Loan Fund	\$ -
Calculated Coverage	-
Required Coverage	-
Net Available for Other Required Transfers ⁽⁶⁾	\$ 49,244,934
Other Required Transfers:	
Debt Service Reserve Account ⁽⁷⁾	-
Other Allocated Debt - Series 2013 Bonds ⁽⁸⁾	\$ 341,952
Net Available for Capital Improvement Fund Transfer ⁽⁹⁾	\$ 48,902,982
System Facility Investment Fees	16,477,124
Total Available for Other System Purposes ⁽¹⁰⁾	\$ 65,380,106

⁽¹⁾ Amounts shown derived from unaudited financial statements and reflect financial operating results.

⁽²⁾ Amounts shown do not include interest income earned on balances in the Restricted Construction Fund(s) (earnings restricted to such account by resolution or law), or any unrealized gain or loss on the fair market adjustment of investments (to recognize realized earnings).

⁽³⁾ Amounts shown do not include depreciation or amortization expenses pursuant to the Resolution, or pension liability adjustments not available at time of publication.

⁽⁴⁾ Amounts shown include Federal Direct Payments received from the federal government associated with the issuance of the Series 2010 Bonds; for the purposes of determining compliance with the rate covenant required by the Resolution, the Federal Direct Payments are included as a component of Net Revenue.

⁽⁵⁾ The County has secured a low-interest loan through the State Revolving Loan Fund Program. Pursuant to the Loan Agreement, the County has pledged the Net Revenues, net of any parity bonds debt service payments. Subsequent to September 30, 2014, the loan was repaid in its entirety.

⁽⁶⁾ Amount represents the available Net Revenue after the payment of the Annual Debt Service Requirement and the loan repayment of the Subordinate Obligation.

⁽⁷⁾ The Debt Service Reserve Account on the Outstanding Bonds are secured by a cash funded reserve from proceeds of such Bonds at the time of issue or a Reserve Account Credit Facility Substitute equal to the applicable Debt Service Reserve Requirement for each series of Outstanding Bonds; therefore, no additional required transfers are reflected during the Historical Period.

⁽⁸⁾ Represents allocated debt service payments on the \$79,640,000 in Revenue Refunding and Improvement Bonds, Series 2013 (the "County 2013 Bonds") which are secured from County non-ad valorem revenues of the General Fund which a portion was attributable to funding certain Solid Waste System projects (from the proceeds of the original issue which was recently refunded). Since the County budgets and allocates a portion of the debt service on the County 2013 Bonds to the Solid Waste System, such amounts were considered as a required transfer for the purposes of presentation of the historical system operating results and rate covenant compliance with the provisions of the Resolution.

⁽⁹⁾ Pursuant to the Resolution, all available revenue after payment of Operating Expenses, deposits, if any, to the Rate Stabilization Fund, satisfy the Annual Debt Service Requirement on all Bonds, and required transfers shall be deposited into the Capital Improvement Fund for the benefit of the Public Utilities System. Generally, this account is used by the County to fund ongoing capital expenditures that are not funded by Public Utilities System debt and other funding obligations of the Public Utilities System.

⁽¹⁰⁾ Amounts shown are prior to annual transfers of \$2,945,142 for watershed management protection (e.g., conservation land acquisition) to the General Fund.

Source: Manatee County, Florida.

RISK FACTORS

The future financial condition of the Public Utilities System could be affected adversely by, among other things, legislation, environmental and other regulatory actions, changes in demand for services, economic conditions, demographic changes, natural disasters, litigation and other events. The Public Utilities System is subject to regulation and control by numerous federal, state and local governmental agencies. The County cannot predict future policies such agencies may adopt. Future changes could result in the County having to discontinue operations at certain facilities or to make unanticipated and significant capital expenditures and could involve litigation.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

Florida Retirement System

The information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Annual Reports available at: dms.myflorida.com and the Florida Comprehensive Annual Financial Reports available at: myfloridacfo.com/aadir/statewide_financial_reporting. No representation is made by the County as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

Substantially all full-time employees of the County are covered by the FRS Plan, a multiple-employer, cost-sharing, public retirement system administered by the Florida Department of Administration, Division of Retirement. Beginning in 2002, the FRS became one system with two primary plans; a defined benefit pension plan (the "FRS Pension Plan") and a defined contribution plan alternative to the defined benefit plan known as the Public Employee Optional Retirement Program (the "FRS Investment Plan") to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and deferred retirement option program participants. Benefits under the FRS are established by Chapter 121, Florida Statutes, and Chapter 605, Florida Administrative Code. As a general rule, membership in the FRS is compulsory for all employees working in a regular, established position for a state agency, county government, district school board, state university, community college or a participating city or special district within the State of Florida. Benefits are computed on the basis of age, average final compensation, and service credit. Employees are classified in either the regular service class or the senior management service class for members who fill senior-level management positions. In addition, the FRS administers a deferred retirement option program ("DROP") which allows eligible employees to defer receipt of monthly retirement benefit payments, while continuing employment with an FRS

employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The most current FRS Annual Report stated that as of June 30, 2016, the market value of assets for the FRS Pension Plan was approximately \$141.3 billion. This reflects a 0.54% annualized investment return. The fiduciary net position as of June 30, 2016, was \$141.8 billion, a 4.50% decrease over the previous year. As of July 1, 2016, the date of the last actuarial valuation, the FRS Pension Plan was 85.4% funded on a valuation funding basis and 84.9% funded on a Governmental Accounting Standards Board Statement No. 67, reporting basis.

The County has no responsibility to the FRS other than to make the periodic payments required by Florida Statutes. Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature.

For the Fiscal Years ended September 30, 2016 and 2015 the County's actual contributions to the FRS totaled \$22,633,000 and \$20,533,000, respectively, which were equal to the required actuarially determined contributions for such Fiscal Years.

Prior to the spring 2011 legislative session, the FRS was noncontributory for members. However, as of July 1, 2011, Chapter 2011-68 of the Laws of Florida requires members of the FRS not enrolled in DROP to contribute 3% of their salary to the FRS in order to reduce employers' required contributions. County employee contributions were \$4,836,000 and \$4,538,000 for the Fiscal Years ended September 30, 2016 and 2015, respectively.

The component of the collective net pension liability of the County for Fiscal Year 2016 and Fiscal Year 2015 are shown in the following table:

Fiscal Year	FRS	HIS	Total
2016	\$189,859,000	\$64,886,000	\$254,745,000
2015	\$ 88,323,000	\$54,264,000	\$142,587,000

The net pension liability as of September 30, 2016 and September 30, 2015 was determined by an actuarial valuation as of June 30, 2016 and June 30, 2015, respectively. The increase in FRS and HIS contributions between Fiscal Years 2015 and 2016 was primarily attributable to an increase in salaries for all County employees. The increase in FRS and HIS net pension liability between Fiscal Years 2015 and 2016 was primarily attributable to the difference between the assumed rate of return on investments and the actual rate of return.

At September 30, 2016, the County's proportion of the FRS was 0.751912753%, which was an increase of 0.068097746% from its proportion measured as of September 30, 2015. At September 30, 2016, the County's proportion of the HIS was 0.556744125%, which was an increase of 0.024661841% from its proportion measured as of September 30, 2015.

For the Fiscal Years ended September 30, 2016 and 2015, the County recognized pension expense of approximately \$36,279,000 and \$10,746,000, respectively.

See Note 8 of the "AUDITED FINANCIAL STATEMENTS RELATING TO THE PUBLIC UTILITIES SYSTEM FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016" attached hereto as Appendix B for further information regarding the FRS and the retirement plans available to the employees of the County.

The State of Florida issues a publicly available financial report that includes financial statements, required supplementary information for the FRS and other information including historical data regarding funding progress and actuarial values and liabilities. The most recent available report for the plan year ended June 30, 2016 may be obtained by writing the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by accessing their website at http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

Other Post-Employment Benefits

Of the total compensation offered to attract and retain qualified employees, some benefits, such as salaries and active employee health care, are received when the employees are in active service. Other elements of the compensation package are received after retirement, when the employees' active services have ended. Many state and local governments, including the County, provide retirees with pension benefits and separate Other Post-Employment Benefits ("OPEB") such as medical and nominal life insurance.

The Board is the Plan Sponsor of the Manatee County Government's medical plan (the "Plan") which is applicable to employees and retirees of the Board. The Plan is also applicable to the Clerk of the Circuit Court, Manatee County Sheriff Office, Manatee Tax Collector, Manatee Supervisor of Elections, and Manatee Property Appraiser (the "Constitutional Officers").

In accordance with Section 112.0801, Florida Statutes, because the County provides a medical plan to employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this group employee health plan. Although not required by Florida law, the County has opted to pay a portion of the cost of such participation for eligible retired County employees.

This post-retirement benefit plan provides healthcare benefits including medical coverage and prescription drug benefits to eligible retired employees and their dependents, and \$1,000 of life insurance to eligible retired employees.

Eligibility for retirees' participation in the Plan is limited to full time employees of the County and all Constitutional Officers who are active participants in the Plan at the time of retirement, and who retire and are either vested with the Florida Retirement System ("FRS"), are vested in the FRS and are age 62, have 30 years of creditable service before age 62, or meet alternative criteria if disabled or a member of a Special Risk Class. Surviving spouses or dependents of participating retirees may continue in the Plan if eligibility criteria are met.

While Florida law requires that retirees be permitted to participate in the same health insurance plans as active employees, retirees can be required to pay a higher percentage (up to 100%) of the annual medical premium cost for active employees. Currently the County contributes monthly premium assistance, determined on an annual basis, for employees retiring after ten years of service. Additional premium assistance is provided to participants aged 65 and over that enroll in Medicare Part B. Retirees and spouses over age 65 enrolled in Medicare Part A and B may elect to remain in the County's Plan, or enroll in a Medicare Supplement and Part D Prescription Drug program through an outside provider. The premium assistance amount can be changed by the County at any time, with 30 days written notice to participating retirees. Under the current Plan, for employees hired after September 30, 2005, participation by retirees and their dependents in the County Plan and subsidization of the premium rate for retirees will be limited to that required by law.

The County implemented compliance with the Governmental Accounting Standards Board's Statement No. 45 - Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans other than Pension Plans ("GASB 45") in its fiscal year ending September 30, 2008. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. The OPEB disclosure information provides information useful in assessing future cash flow requirements.

The actuarially determined components as of October 1, 2016 for the fiscal year ended September 30, 2016, of the County's unfunded annual OPEB cost, the contributions to the Plan, and the changes in the County's Net OPEB Obligation ("NOO") for the current Plan provisions were:

<u>Contributions and Changes in County's NOO</u>	Dollar amounts expressed in thousands
Annual Required Contribution (ARC)	\$3,120
Plus interest on net OPEB Contributions	3,029
Less NOO Amortization	<u>(4,281)</u>
Annual OPEB Cost (AOC)	1,868
Contributions made, net	<u>(2,939)</u>
Decrease in net OPEB Obligation	(1,071)
Net OPEB obligation, beginning of year	<u>86,535</u>
Net OPEB obligation, ending of year	<u><u>\$85,464</u></u>

Source: Manatee County, Florida Finance Department.

At September 30, 2016, the accrued actuarial liability for benefits was \$38.8 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$156.4 million, and the ratio of the unfunded actuarial liability to covered payroll was 24.80%. Even though the County has not authorized a qualifying trust or agency fund (as defined under GASB 45) to fund the liability, the County has been reserving funds in its annual budget, to accumulate and use to offset a portion of the liability. At September 30, 2016, this restricted cash totaled \$10.6 million, primarily from fund transfers, but also including related interest earnings. It is expected that recording of annual expenses and related cash flow will continue to be manageable.

INVESTMENT POLICY

The County's investments must conform to the provisions of Florida statutory law as amended from time to time. The Board establishes the overall investment policies, and has delegated to Angelina "Angel" Coloneso, Clerk of the Circuit Court and Comptroller, as Clerk to the Board of County Commissioners, acting in the capacity of Chief Financial Officer of the Board, the responsibility of implementing such policies.

The County is permitted to invest in the Local Government Surplus Funds Trust Fund (State Pool); the Florida Counties Investment Trust; direct obligations of the United States Government; obligations guaranteed by the United States Government as to

principal and interest; time deposits and savings accounts in banks and savings and loan associations, organized under the laws of Florida and/or the United States, doing business and situated in the State (all such deposits must be collateralized); obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation (participation certificates), the Federal Home Loan Bank or its banks, the Government National Mortgage Association (GNMA) (including Federal National Mortgage Association participation certificates which are guaranteed by GNMA); Bankers' acceptances that are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of AA or better; commercial paper of United States corporations having a rating of at least two of the following ratings: A-1 (Standard & Poor's), P-1 (Moody's) and F-1 (Fitch); tax-exempt obligations of the State of Florida and its various local governments which are either insured or have a rating of A+ or better; securities of, or other interests in, any open-end or closed-end management type investment company or trust created pursuant to federal law, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations, and provided such investment company or investment trust takes delivery of such collateral either directly or indirectly through an authorized custodian; or certain written repurchase agreements.

The County is not allowed to invest directly in any securities in which the value of that security is dependent on another security, an underlying security, or an index. These securities are generally referred to as "derivatives," and include collateralized mortgage obligations, interest-only securities, and principal-only securities. Notwithstanding this prohibition, the County can invest in the Local Government Surplus Funds Trust Fund, the Florida Counties Investment Trust, and authorized money market mutual funds which themselves contain derivatives.

The County's investment policy may be modified from time to time by the Board.

SELF INSURANCE

Except as herein noted, the County is self-insured. The County maintains select excess insurance policies designed to augment the County's Ordinance No. 16-26, which establishes a self-insurance program for the County, its officers and employees. The County's Ordinance No. 16-26 provides liability coverage in accordance with Chapter 768.28, Florida Statutes, in the amount of \$200,000 per person and \$300,000 aggregate per occurrence, and for greater amounts in the event of a federal claim, or claims bill, not subject to the above limits.

The County purchases excess insurance policies to protect against catastrophic financial loss.

The County maintains an excess Property Insurance program with a total loss limit of \$250,000,000 all perils excluding named wind storm, which has a total loss limit of \$90,000,000. The deductible for all perils, excluding named wind storm, is \$100,000 per occurrence. The deductible for named wind storm is 3% per affected building with a minimum of \$250,000 and a maximum of \$20,000,000. The County maintains flood insurance through NFIP for 10 high hazard locations.

The County maintains excess Auto Liability and General Liability Insurance with limits of \$2,000,000 per occurrence/\$4,000,000 aggregate with a self-insured retention of \$500,000, statutory Workers Compensation Insurance with a self-insured retention of \$1,000,000, Employers Liability with a limit of \$1,000,000, and Public Officials Liability with limits of \$1,000,000 per occurrence/\$2,000,000 aggregate with a self-insured retention of \$500,000.

In addition, the County also maintains: Boiler & Machinery, Crime, and Railroad General Liability policies.

Historically, the Federal Emergency Management Agency has reimbursed most, if not all, of the costs incurred by local governments in the rebuilding of property damage due to a declared catastrophic event that either did not meet the property insurance deductible or exceeded available insurance coverage.

[Hurricane Irma, a Category 4 hurricane, impacted the Florida peninsula, including the County, on Sunday, September 10, 2017. A damage assessment of the Public Utilities System found minimal damage to real property. The primary costs related to the Public Utilities System were service provider overtime and debris removal in an estimated amount of \$10-12 million, of which the County estimates that the majority will be reimbursed. Accordingly, the County does not expect any adverse impact on its ability to pay debt service on any Outstanding Bonds.]

LITIGATION

There is no litigation or controversy of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2017 Bonds or in any way contesting the validity of the Series 2017 Bonds or any proceedings of the County taken with respect to the authorization, sale or issuance of the Series 2017 Bonds or the pledge or application of the moneys provided for the payment of the Series 2017 Bonds which, if successful, would materially financially affect the County.

The County experiences claims, litigation and various legal proceedings which individually are not expected to have a material adverse effect on its operations or financial condition, but may, in the aggregate, have a material impact thereon. In the opinion of the County Attorney, however, the County will either successfully defend such

actions or otherwise resolve such matters without any material adverse consequences on the financial condition of the County.

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2017 Bonds are subject to the approval of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel, the form of whose approving opinion is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the County by either Mitchell "Mickey" Palmer, Esquire, County Attorney, or an Assistant County Attorney and for the Underwriters by their counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

The legal opinions of Bond Counsel, Underwriters' Counsel and the Office of the County Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Underwriters' Counsel and the Office of the County Attorney as of the date thereof. Bond Counsel, Underwriters' Counsel and the Office of the County Attorney 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.

The legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the County must continue to meet after the issuance of the Series 2017 Bonds in order that the interest on the Series 2017 Bonds be and remain excludable from gross income for federal income tax purposes. The County's failure to meet these requirements may cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2017 Bonds. The County has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2017 Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the County and continuing compliance by the County with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2017 Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2017 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and interest on the Series 2017 Bonds is not to be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that the Series 2017 Bonds and the income thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors as to the status of interest on the Series 2017 Bonds under the tax laws of any state other than the State.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2017 Bonds, or the ownership or disposition of the Series 2017 Bonds. Prospective purchasers of Bonds should be aware that the ownership of the Series 2017 Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2017 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15 percent of certain items, including the interest on the Series 2017 Bonds, (iii) the inclusion of the interest on the Series 2017 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2017 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Series 2017 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and are not binding on

the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Premium and Discount

Certain of the Series 2017 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2017 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond 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 Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond 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 Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the Series 2017 Bonds, adversely affect the market price or marketability of the Series 2017 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. Currently, legislation designed to bring about comprehensive reform of the United States Tax Code are being considered in Congress. The House of Representatives and Senate have passed separate and distinct comprehensive tax bills. Each bill includes provisions that would directly and indirectly adversely affect the ability of issuers to issue tax-exempt bonds and could indirectly adversely affect the market price or marketability of the Series 2017 Bonds. Both bills contain provisions that would eliminate the ability of issuers to issue advance refunding bonds after December 31, 2017. Both bills also contain provisions that would significantly lower the corporate tax rate and potentially reduce the marginal tax rate for many personal income taxpayers. Neither bill as proposed affects the excludability from gross income of interest on the Series 2017 Bonds if they are issued, as expected, prior to January 1, 2018. The bills are expected to go to conference and for formal discussions to reconcile differences between the bills to commence in the month of December of this year. However, it cannot be predicted whether or in what form this proposed legislation or any other such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2017 Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2017 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2017 Bonds 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 2017 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2017 Bonds and proceeds from the sale of Series 2017 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2017 Bonds. This withholding generally applies if the owner of Series 2017 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor 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 payor 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 2017 Bonds 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.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of the arithmetical computation of the adequacy of the maturing principal amounts of, and interest on, the Escrow Securities, together with any uninvested amounts, to be held in the Escrow Deposit Fund to pay interest on the Refunded Bonds prior to the Redemption Date and the principal and interest on the Refunded Bonds on the Redemption Date will be verified for the County by _____ (the "Verification Agent"). Such verification will be based on certain information supplied to the Verification Agent by Wells Fargo Bank, National Association and will be relied upon by Bond Counsel in rendering the defeasance opinion described above under the heading "PLAN OF REFUNDING."

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2017 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution and the Series 2017 Bonds may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

RATINGS

Moody's Investors Service, Inc. and Fitch Ratings have assigned their ratings of ___ and ___, respectively, to the Series 2017 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Fitch Ratings, 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials

furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2017 Bonds.

UNDERWRITING

The Series 2017 Bonds are being purchased by Wells Fargo Bank National Association, Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), subject to certain terms and conditions set forth in a purchase contract between the Underwriters and the County (the "Purchase Contract"), at a purchase price of \$_____ (which is the par amount thereof, [plus net original issue premium of \$_____ and less Underwriters' discount of \$_____]). The Series 2017 Bonds will be purchased at the initial offering prices or yields set forth on the inside cover page of this Official Statement, subject to certain terms and conditions as set forth in the Purchase Contract, including the approval of certain legal matters by Bond Counsel and the existence of no material adverse change in the condition of the County from that set forth in this Official Statement. The Series 2017 Bonds may be offered and sold to certain dealers at prices lower than such offering prices and such public offering prices may be changed from time to time by the Underwriters.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), the lead underwriter of the Series 2017 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2017 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2017 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities; LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2017 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a

portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas 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 Underwriters have reviewed the information in this Official Statement in accordance with and, as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

CONTINGENT FEES

The County has retained Bond Counsel, the Financial Advisor, the Underwriters (who in turn retained Underwriters' Counsel), the Paying Agent, the Registrar and the Escrow Agent with respect to the authorization, sale, execution and delivery of the Series 2017 Bonds. Payment of the fees of such professionals are each contingent upon the issuance of the Series 2017 Bonds.

CONTINUING DISCLOSURE

In accordance with the continuing disclosure requirements of Rule 15c2-12 promulgated by the SEC, the County has never failed to materially comply with any agreement to provide continuing disclosure information within the last five (5) years. With respect to the Series 2017 Bonds, the County has agreed pursuant to the terms of the Series 2017 Resolution as follows:

(1) The County undertakes and agrees to provide to the Municipal Services Rulemaking Board (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (a) the County's financial statements and information relating to the Public Utilities System generally consistent with the financial statements presented

in APPENDIX B to this Official Statement relating to the Series 2017 Bonds, and (b) update the information in the Official Statement concerning the County's Public Utilities System set forth in the tables entitled "Historic Growth of Water and Wastewater Divisions Services - Number of Meters" and "Single Family Residential Water and Wastewater Bills in County and Surrounding Areas" under the heading "THE WATER AND WASTEWATER DIVISION," the table entitled "Manatee County Solid Waste Tipping Fee Comparison" under the heading "THE SOLID WASTE DIVISION" and the table under the heading "HISTORIC OPERATING RESULTS OF SYSTEM" to the extent such information is not included in the County's Public Utilities System's purpose financial statements referred to in clause (a) above. The information referred to in clauses (a) and (b) is herein collectively referred to as the "Annual Information."

(2) The Annual Information described in clause (a) of paragraph (1) above in audited form (for as long as the County provides such financial information in audited form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2018 for the fiscal year ending on the preceding September 30, 2017. The Annual Information referred to in clause (a) of paragraph (1) above in unaudited form (if the audited financial statements are not available or if the County no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. The County also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Series 2017 Bonds who request such information and pays to the County its costs and reproduction and transmission of such Annual Information. The County agrees to provide to the MSRB, through EMMA and the SID, if any, timely notice of its failure to provide the Annual Information. Such notice shall also indicate the reason for such failure and when the County reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure.

(3) The Annual Information referred to in clause (a) of paragraph (1) above and presented in the Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

(4) If, as authorized by paragraph (6) below, the County's undertaking with respect to paragraph (1) above requires amending, the County undertakes and agrees that the Annual Information described in clause (a) of paragraph (1) above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described

in paragraph (3) above. The County agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

(5) The County undertakes and agrees to provide to the MSRB, through EMMA, and to the SID, if any, within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)) notice of the occurrence of any of the following events with respect to the Series 2017 Bonds, if material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on any Debt Service Reserve Account reflecting financial difficulties;*
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;*
- (e) substitution of credit or liquidity providers, or their failure to perform;*
- (f) adverse tax opinions or events affecting the tax-exempt status of the Series 2017 Bonds;
- (g) modifications to rights of Bondholders;
- (h) Series 2017 Bond calls (other than scheduled mandatory sinking fund redemptions);
- (i) defeasances of the Series 2017 Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2017 Bonds;
- (k) rating changes;
- (l) any failure on the part of the County to comply with its undertaking;
- (m) tender offers;

* Not applicable to the Series 2017 Bonds.

(n) the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;

(o) bankruptcy, insolvency, receivership or similar event of the County or obligated person;

(p) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(q) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The County agrees to provide or cause to be provided, in a timely manner to the MSRB through EMMA, written notice of a failure by the County to provide the Annual Information described in clause (a) of subparagraph (1) above on or prior to the date such Annual Information is to be reported.

Events described in clauses (a), (f), (i), (j), (k), (l), (m), (n) and (o) shall always be deemed material.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Series 2017 Bonds.

(6) Notwithstanding any other provision of the Series 2017 Resolution to the contrary regarding amendments or supplements, the County undertakes and agrees to amend and/or supplement its undertaking (including the amendments referred to in paragraph (4) above) only if:

(a) The amendment or supplement is made only in connection with a change in circumstances existing at the time the Series 2017 Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule, or (iv) a change in the nature of the County's operations or the activities that generate the Net Revenues.

(b) The County's undertaking, as amended, would have complied with the requirements of the Rule at the time the Series 2017 Bonds were originally

issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Series 2017 Bonds as determined by Bond Counsel or by a majority of the registered owners of the 2011 Bonds.

In the event of an amendment or supplement under the Series 2017 Resolution, the County shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

(7) The County's undertaking set forth in the Series 2017 Resolution shall terminate if and when the Series 2017 Bonds are paid or deemed paid.

(8) The County acknowledges that its undertaking pursuant to the Rule set forth in the Series 2017 Resolution is intended to be for the benefit of the registered holders and Beneficial Owners of the Series 2017 Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder, and any failure by the County to comply with the provisions of this undertaking shall not be or constitute a covenant or monetary default with respect to the Series 2017 Bonds under the Series 2017 Resolution.

(9) The County reserves the right to satisfy its obligations under the Series 2017 Resolution through agents; and the County may appoint such agents without the necessity of amending the Resolution. The County may also appoint one or more employees of the County to monitor and be responsible for the County's undertaking hereunder.

FINANCIAL STATEMENTS

The Audited Financial Statements relating to the Public Utilities System, for the Fiscal Year ended September 30, 2016 and the report of the Independent Certified Public Accountants relating thereto are attached hereto as APPENDIX B. The Series 2017 Bonds are payable solely from the Net Revenues of the County's Public Utilities System and the Series 2017 Bonds are not secured by, or payable from, the general revenues of the County. The financial statements attached hereto as APPENDIX B are presented for general informational purposes only.

FINANCIAL ADVISOR

The County has retained Public Resources Advisory Group, St. Petersburg, Florida, as Financial Advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2017 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to independently verify or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Public Resources Advisory Group is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for and the source for repayment for the Series 2017 Bonds and the rights and obligations of the holders thereof. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule. Copies of such documents may be obtained from Ms. Angelina "Angel" Colonneso, Clerk of the Circuit Court and Comptroller, Manatee County Courthouse, 1115 Manatee Avenue West, Room 235, Bradenton, Florida 34205 or at angel.colonneso@manateeclerk.com, upon payment of the County's cost of reproduction and delivery, if any.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Official Statement, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, except with regard to information provided by them.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

**AUTHORIZATION OF CERTIFICATION CONCERNING
OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the Board of County Commissioners of the County. At the time of delivery of the Series 2017 Bonds, the undersigned or other authorized officer will furnish a certificate to the effect that, to the best of her knowledge, this Official Statement (other than the information provided by DTC and the Underwriters) did not as of its date and does not as of the date of the delivery of the Series 2017 Bonds contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements herein, in light of the circumstances in which they were made, not misleading.

MANATEE COUNTY, FLORIDA

By: _____
Chair, Board of County Commissioners

APPENDIX A

GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA

APPENDIX A

GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA

General Information

Manatee County, founded in 1856, encompasses approximately 740 square miles and is located approximately half way down the west coast of Florida. The County is bounded on the north by Hillsborough County, on the south by Sarasota County, on the east by Hardee and DeSoto Counties, and on the west by the Gulf of Mexico. The incorporated cities of Palmetto, Bradenton, Bradenton Beach, Holmes Beach, Anna Maria Island and Town of Longboat Key are located within the County. The 2016 estimated population of the County was 356,133 persons. The County estimates the 2017 population to be 368,782 persons.

There are approximately 150 miles of waterfront land in the County, including more than 14 miles of Gulf beaches. Temperatures range from an average of approximately 60 degrees (F.) in January to approximately 82 degrees (F.) in August. Other natural advantages include an abundance of, and numerous, mineral deposits and unique soils suitable for agriculture. These factors have allowed the County to maintain an even and steady economic growth rate through the years, and have enabled the County to develop a year-round tourist industry.

Interstate 75 is the primary north-south access road to the County. Interstate 275, State Road 64 and State Road 70 are the major east-west access roads to the County. Interstate 275 utilizes the Skyway Bridge to St. Petersburg and Tampa.

The Sarasota-Bradenton International Airport, located on the Manatee-Sarasota County line, provides air service for the County. The following international, domestic, commuter and charter airlines provide service through the Sarasota-Bradenton International Airport: Air Canada, American Airlines, Delta, Elite Airways, JetBlue Airways, and United Airways.

County Government

The County is governed by a seven-member Board of County Commissioners (the "Board"), one from each of five districts and two elected at large (County wide) for staggered terms of four years. In addition to the Members of the Board, there are five elected County Officials: Tax Collector, Property Appraiser, Supervisor of Elections, Clerk of the Circuit Court and Sheriff.

The County provides a variety of services characteristic of local multi-purpose governments including: transportation, building and planning and zoning, environmental protection, utilities, welfare, children's services, civil defense, veteran's services, traffic

control and others. The Board provides and oversees expenditures of such operations. There were approximately 1,858 County employees as of September 30, 2017.

In 1978, the Board adopted an ordinance creating the position of County Administrator. The County Administrator is the chief administrative officer, and has the authority to hire all department heads, subject to the approval of the Board.

Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller, is the Chief Financial Officer for the Manatee County Board of County Commissioners. The Clerk of the Circuit Court and Comptroller has received for the County the Certificate of Achievement for Excellence in Financial Reporting for each Fiscal Year since September 30, 1979 and each report generated is prepared in accordance with the Government Finance Officers Association and the America Institute of Certified Public Accountants (AICPA) guidelines.

The GFOA Awards for Excellence Program recognizes the most valuable contributions to the field of governmental finance, with particular focus upon the transferability, creativity, technical significance and overall value to the profession. The GFOA presented an award for distinguished budget presentations to the County for its annual budget, dated October 1, 2016. This was the 31st time that the County received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. The budget document is prepared by the Department of Financial Management.

Educational System

The County's public school system is governed by a separately elected School Board and operates 33 elementary, 10 middle, 6 senior high school, 3 alternative education schools, 1 post-secondary school (operated at four school sites), 16 contract sites including 3 Department of Juvenile Justice sites, and 12 charter schools that are component units of the Manatee County School District (the "District"). The District estimates serving approximately 48,300 unweighted, full-time equivalent students for the 2016-2017 school year. The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through the District's English Language Learner (ELL) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computers, photography and personal financial planning.

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**Public School Enrollment (Grades K-12)
Last Ten Fiscal Years**

Fiscal Year	Unweighted Full-Time Equivalent Students
2006-2007	42,500
2007-2008	42,500
2008-2009	42,500
2009-2010	43,000
2010-2011	44,175
2011-2012	45,050
2012-2013	45,800
2013-2014	46,800
2014-2015	47,700
2015-2016	48,600

Sources: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Additional postsecondary and community service programs are provided by the Manatee Technical College and State College of Florida. Manatee Technical College ("MTC") opened in 1963 and has continually expanded its physical plant and course offerings. MTC serves over 5,000 students across four campuses and offers specialized instruction to meet the employment demands of new industry locating in the County. The State College of Florida ("College") is a fully-accredited, state-supported, associate and baccalaureate degree institution with two full-service campuses in Bradenton and Venice and a Center for Innovation and Technology at Lakewood Ranch. The College serves 27,000 degree-seeking, credit students and another 14,000 are enrolled in noncredit classes in workforce, professional development, enrichment and traffic safety. Students may earn an associate in arts degree in preparation for transfer to a university or choose from among more than 20 associate in science degree programs that include programs in engineering, nursing and other health professions. Beginning in March 2009, the College began offering a bachelor of science in nursing, and has since added baccalaureate programs in Public Safety and Emergency Administration, Early Childhood Education, Health Services Administration, International Business and Trade and Technology Management. Broadening its continuum of education, the College opened a collegiate charter school in fall 2010. The school enables students to complete high school and receive their Associate in Arts degree simultaneously.

Population

The County has experienced a very rapid population growth in recent years. The 2010 U.S. Census listed the County population at 322,833 persons. The estimated 2017

County population was 368,782. As shown in the following table, the population of the County has more than tripled since 1970. The County population is projected to be 388,661 in the year 2020.

Manatee County		
	Population	% Increase
2010 Federal Census	322,833	22%
2000 Federal Census	264,002	25
1990 Federal Census	211,707	43
1980 Federal Census	148,442	53
1970 Federal Census	97,115	40
1960 Federal Census	69,168	99
1950 Federal Census	34,704	33
1940 Federal Census	26,098	-

Source: U.S. Bureau of the Census.

The 2010 Census also reported that of the 322,833 persons living in the County, 23% were age 65 and over. The population's median age is 46.

Age Group	2020	Age Group	2010	2000	1990	1980
0-4	20,583	0-14	54,985	45,938	34,686	24,963
5-17	54,645	15-24	34,131	25,912	20,644	19,427
18-24	28,067	25-44	69,480	65,063	55,035	30,749
25-54	123,317	45-59	65,761	47,048	28,168	33,147
55-64	58,486	60 and over	98,476	80,041	73,174	40,156
65-79	76,700					
80+	26,863					
Total	<u>388,661</u>		<u>322,833</u>	<u>264,002</u>	<u>211,707</u>	<u>148,442</u>

Sources: University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 178; U.S. Census of Population (2010).

Economy

The County's industry base is diversified, with the three largest industry sectors being services, retail, and manufacturing. The County also has a strong tourism and agricultural base.

Tourism

The proximity of the Gulf beaches and the favorable climate in the County provide the basis for a year-round tourist industry. There are numerous motels and retail service establishments in the County to serve the tourist trade.

Employment

The civilian labor force increased to 175,254 as of October 2017, representing a 2.8 percent increase in the labor force over the prior year. The County's unemployment rate as of October 2017 was 3.2 percent. That rate was slightly less than the 3.6 percent unemployment rate of the State of Florida. The unemployment rate for the nation for October 2017 was 4.1 percent.

Source: Florida Department of Labor and Employment Security Database.

Manatee County, Florida Principal Employers September 30, 2016

Employer	Employees	Rank	Percentage to Total County Employment
Manatee County School Board	5,448	1	3.43%
Manatee County Government	1,835	2	1.15
Beall's Inc.	1,694	3	1.07
Manatee Memorial Hospital	1,150	4	0.72
Manatee County Sheriff's Department	1,146	5	0.72
Tropicana Products, Inc.	1,000	6	0.63
Blake Medical Center	849	7	0.53
IMG Academies	640	8	0.40
Publix	639	9	0.40
Feld Entertainment	563	10	0.35

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

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**North Port-Bradenton-Sarasota Metropolitan Statistical Area
Employment Status**

	2017 ⁽¹⁾	2016	2015	2014	2013
Civilian Labor Force	365,120	350,958	342,270	335,628	326,215
Total Employment	353,390	334,939	325,078	316,250	303,757
Total Unemployment	11,730	16,019	17,192	19,378	22,458
Unemployment Rate	3.2%	4.6	5.0	5.8	6.9

⁽¹⁾ As of October 2017.

Source: Florida Research and Economic Database.

The following table shows the distribution of the North Port-Bradenton-Sarasota Metropolitan Statistical Area total employment by industry and wage data as of 2016.

**North Port-Bradenton-Sarasota Metropolitan Statistical Area
Employment by Industry**

Industry Sectors	% of Total Employees	% of Total Wage	Average Annual Wage
Trade, Transportation and Utilities	21.66%	7.30%	\$ 35,021
Education and Health Services	19.69	9.62	46,113
Leisure and Hospitality	16.55	4.88	23,400
Professional and Business Services	14.67	11.43	54,790
Construction	8.37	9.42	45,174
Manufacturing	6.40	10.83	51,931
Financial Activities	5.56	13.82	66,274
Other Services	3.88	6.56	31,452
Natural Resources and Mining	1.86	5.45	26,122
Information	1.31	11.71	56,170
Unclassified	0.05	8.98	43,100
		Total Wage:	\$479,547

Source: Quarterly Census of Employment and Wages – Bureau of Labor Statistics, Annual 2016.

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Construction

The table below shows the residential building permit activity in the County for the last ten years.

Building Permit Activity Manatee County, Florida 2008-2017

Calendar Year	Number of Units		Total Valuation (000s)
	Single Family	Multi- Family	
2008	1,012	43	\$237,837
2009	931	32	181,536
2010	1,144	19	238,584
2011	1,198	32	258,943
2012	1,588	49	360,550
2013	2,284	76	575,139
2014	2,318	120	624,199
2015	2,586	99	707,131
2016	2,957	115	817,248
2017 ⁽¹⁾	2,268	38	542,721

⁽¹⁾ Nine months ended September 30, 2017.

Source: United States Census Bureau

Manufacturing

A substantial number of manufacturing firms which produce a wide variety of products are located in the County. The more important industries in terms of employment are citrus processing, manufacturing of fiberglass boats, truck bodies and trailers, aluminum fabrication including outdoor furniture, doors and windows and agricultural chemicals. Aircraft components and electronics firms are among the major employers in the area.

Manufacturer	Type of Business	Employees
Bealls, Inc.	Corporate headquarters and distribution	1,694
Tropicana Products	Orange juice and juice beverages	1,000
IMG Academies	International sports training facility	640
Publix	Grocery store	639

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Port Manatee

Port Manatee, one of the largest fourteen Florida deep water seaport in the State, is located on Tampa Bay and consists of a 1,106-acre site, which is a short distance from the Manatee-Hillsborough County line. A 40-foot channel extends a distance of three miles from the berthing facilities of the main shipping channel in Tampa Bay and is a federally maintained channel by the U.S. Corps of Engineers. Port facilities include 7,243 linear feet of berthing space and seven miles of railroad track providing a connection with CSX Railroad. Since the Port began operating in 1970, cargo tonnage has increased from 1,166,000 tons in fiscal year 1970-71 to 2,339,000 tons in fiscal year 2015-2016. Gross operating revenues have increased from \$102,496 in fiscal year 1970-71 to \$11,949,000 in fiscal year 2015-2016. The Port facilities are operated by the Manatee County Port Authority, with daily operations supervised by a Port Director appointed by the Manatee County Port Authority. The governing body of Manatee County is also the governing body of the Manatee County Port Authority.

Source: Manatee County Port Authority Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Manatee County, Florida Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income (000s)	Personal Income (000s)	Median Age	School Enrollment	Unemployment Rate
2007	315,890	\$37.3	\$11,782,065	43	42,500	4.2%
2008	323,374	42.3	13,676,780	43	42,500	7.4
2009	330,201	43.2	14,279,542	43	42,500	12.7
2010	318,176	42.0	13,352,892	43	43,000	12.6
2011	324,168	39.2	12,719,935	46	44,175	10.9
2012	330,862	37.2	12,308,066	46	45,050	9.0
2013	333,687	40.5	13,514,324	46	45,800	7.2
2014	337,546	46.7	15,763,398	46	46,800	6.1
2015	341,405	43.8	14,953,539	46	47,700	5.1
2016	356,133	44.8	15,954,758	46	48,600	4.7

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Manatee County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(000s)

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy ⁽¹⁾⁽²⁾	
			Amount	Percentage of Levy
2007	2006	\$245,455	\$236,989	96.55%
2008	2007	234,771	226,446	96.45
2009	2008	213,749	208,502	97.55
2010	2009	196,043	188,441	96.12
2011	2010	169,938	163,616	96.28
2012	2011	162,715	156,857	96.40
2013	2012	159,669	154,031	96.47
2014	2013	166,094	160,149	96.42
2015	2014	178,675	172,227	96.39
2016	2015	194,056	187,607	96.68

⁽¹⁾ Property tax levies, based on assessed values as of January 1st, become due and payable on November 1st of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100 percent of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year. Collections received subsequent to the tax sales are remitted by the Tax Collector directly to the certificate holders.

⁽²⁾ Collections in subsequent years include delinquent taxes received, less refunds issued due to tax roll corrections.

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

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**Manatee County, Florida
Principal Property Taxpayers
as of September 30, 2016
(000s)**

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Net Assessed Value</u>	<u>Ranking</u>
Florida Power and Light Company	\$903,934	3.20%	1
Tropicana Products, Inc.	398,698	1.41	2
Gulfstream Natural Gas System LLC.	172,198	0.61	3
Mosaic Fertilizer LLC	157,036	0.56	4
Manatee Memorial Hospital	119,598	0.42	5
Peace River Electric Co Op, Inc.	112,537	0.40	6
Gulf Coast Factory Shops	110,000	0.39	7
Verizon Florida, Inc.	104,998	0.37	8
Wal-Mart Stores, Inc.	79,659	0.28	9
HCA Health Services of Florida	57,890	0.21	10
	<u>\$2,216,548</u>	<u>7.85%</u>	

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

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**MANATEE COUNTY, FLORIDA
PRO FORMA DEBT STATEMENT
as of September 30, 2017**

COUNTY DIRECT DEBT	GENERAL OBLIGATION	SELF- SUPPORTING REVENUE DEBT
Public Utilities Revenue Improvement Bonds, Series 2010A ⁽¹⁾		\$17,925,000
Public Utilities Revenue Improvement Bonds, Series 2010B ⁽¹⁾		45,300,000
Public Utilities Revenue Improvement Bonds, Series 2010C		5,410,000
Public Utilities Revenue Refunding Bonds, Series 2011		14,735,000
Public Utilities Revenue Refunding and Improvement Bonds, Series 2015		91,485,000
Revenue Refunding and Improvement Bonds, Series 2013		59,350,000
Revenue Improvement Bonds, Series 2014		5,847,000
Revenue Improvement Bonds, Series 2016		28,500,000
Revenue Improvement Note, Series 2013		5,553,000
Revenue Improvement Note, Series 2016		18,600,000
General Obligation Refunding Bonds, Series 2014	\$635,000	
TOTAL COUNTY DIRECT DEBT	\$635,000	\$292,705,000
 <u>UNDERLYING DEBT</u>		
Port Authority Revenue Refunding Bonds, Series 2012A		\$ 5,300,000
Port Authority Revenue Refunding Bonds, Series 2012B		30,675,000
TOTAL UNDERLYING DEBT	\$0.00	\$35,975,000
 TOTAL COUNTY DIRECT AND UNDERLYING DEBT	\$635,000	\$328,680,000

⁽¹⁾ The Series 2010A and 2010B Bonds will be subject to a crossover advance refunding with proceeds of the Series 2017 Bonds.

Source: Manatee County, Florida Finance Department.

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DEBT RATIOS AND RELATED STATISTICAL INFORMATION

**Manatee County, Florida
Population for the Last Ten Fiscal Years**

<u>Date</u>	<u>Population</u>	<u>Increase/Decrease</u>
2006	311,102	3.60
2007	315,890	1.54
2008	323,374	2.37
2009	330,201	2.11
2010	318,176	(3.64)
2011	324,168	0.41
2012	330,862	2.07
2013	333,687	0.85
2014	337,546	1.16
2015	341,405	1.14
2016	356,133	4.31

2016 County Total Net Assessed Valuation	\$39,064,397,000
2016 County Net Taxable Assessed Valuation	\$28,219,084,000

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Debt Ratios as of September 30, 2016

Direct General Obligation Debt as a percent of:

Total Assessed Valuation	0.003%
Net Taxable Assessed Valuation	0.004%

Direct General Obligation Debt per capita \$3.47

Total Assessed Valuation per capita \$109,690.47

Net Taxable Assessed Valuation per capita \$79,237.49

Source: Manatee County, Florida Finance Department.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
RELATING TO THE PUBLIC UTILITIES SYSTEM
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016**

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a general summary of provisions of the Resolution No. R-91-21 adopted by the Board of County Commissioners of Manatee County, Florida, on January 15, 1991, as amended and supplemented to date (the "Original Resolution"). The summary is not to be considered a complete statement of the Original Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof. A copy of the Original Resolution as supplemented may be obtained from the County upon request.

Definitions

For purposes of this summary, the capitalized terms herein shall have the following respective meanings:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation Bond plus, with respect to matters related to the payment upon redemption or other payment of such Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months.

"Act" shall mean the Florida Constitution; Chapter 125, Florida Statutes, as amended and supplemented; Part VII of Chapter 159, Florida Statutes, as amended and supplemented; Chapter 63-1598, Laws of Florida, Acts of 1963, as amended and supplemented; Chapter 197, Florida Statutes, as amended and supplemented; Chapter 403, Florida Statutes, as amended and supplemented; Ordinance No. 85-11, enacted by the Board on April 23, 1985, Ordinances No. 91-25, No. 91-26 and No. 91-27, each enacted by the Board on January 15, 1991, as such ordinances may be amended and supplemented from time to time; and other applicable provisions of law.

"Annual Debt Service Requirement" shall mean, at any time, the amount required to be deposited in the then current Fiscal Year into the Interest Account, Principal Account, and Bond Redemption Account, as provided in the Resolution; provided, however, that such amount shall be reduced by any earnings or investment income in the then current Fiscal Year on moneys and investments on deposit in any fund or account created and established under Part II of the Resolution and transferred to the Interest Account, as provided in Part II of the Resolution; and provided further, however, that in computing such Annual Debt Service Requirement for any future period (other than in connection with determining the Debt Service Reserve Requirement), any Variable Rate Bonds shall be deemed to bear interest at all times to the maturity thereof at a constant rate of interest equal to 110% of the greater of (a) the daily average interest rate on such

Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Bonds shall have been Outstanding, or (b) the rate of interest on such Variable Rate Bonds on the date of calculation.

“Appreciated Value” shall mean, (i) as of any date of computation with respect to any Capital Appreciation and Income Bonds up to the Interest Commencement Date set forth in subsequent proceedings of the Board providing for the issuance of such Bonds, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation and Income Bonds plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Bonds” shall mean any bonds, notes or other evidences of indebtedness (other than subordinated debt issued under the terms and provisions of the Resolution unless the context clearly requires otherwise), as the case may be, issued, authenticated and delivered under and pursuant to the Resolution, together with any pari passu additional bonds hereafter issued in the manner provided in the Resolution.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all subsequent tax legislation duly enacted by the Congress of the United States to the extent applicable to any Series of Bonds issued pursuant to the Resolution. Each reference to a section of the Code in the Resolution shall be deemed to include, if applicable, final, temporary or proposed regulations, revenue rulings and procedures issued or amended with respect thereto, and any final, temporary or proposed regulations and revenue rulings and procedures, as promulgated under the Internal Revenue Code of 1954, as amended, by the Treasury Department or Internal Revenue Service of the United States.

“Connection Charges” shall mean, where applicable, the charges imposed on those connecting to the System for the cost of physically connecting to the System, including but not limited to the cost of excavating, plumbing, installation of meters, and landscaping.

“Consultant” shall mean the engineering firm or qualified engineer or other appropriate specialist retained by the County to perform the acts and carry out the duties provided for such Consultant in Part II of the Resolution.

“Credit Facility” of “Credit Facilities” shall mean either individually or collectively, as appropriate, any Bond Insurance Policy, surety bond, Letter of credit, line of credit, guaranty, or such other instrument or instruments that would enhance the credit of the Bonds. The term Credit Facility shall not mean a Reserve Account Credit Facility Substitute.

“Credit Facility Issuer” shall mean the provider of a Credit Facility.

“Debt Service Reserve Requirement” shall mean, with respect to the Series 2003 Bonds, an amount equal to (i) the maximum amount of principal of and interest on such Series of Bonds becoming due in any succeeding Fiscal Year, or (ii) one hundred twenty-five percent (125%) of the average annual amount of principal of and interest on the Series 2003 Bonds becoming due in any succeeding Fiscal Year, or (iii) ten percent (10%) of the net proceeds (as such term is defined under the Code for such purpose) of the Series 2003 Bonds, whichever is the lesser. All or a portion of such Debt Service Reserve Requirement may be satisfied by obtaining a Reserve Account Credit Facility with the requisite coverage. The Debt Service Reserve Requirement, if any, for any other Series of Bonds shall be determined by subsequent proceedings of the Board.

“Defeasance Obligations” shall mean to the extent permitted by law and (other than with respect to the obligations described in clause (a) below) acceptable to the Credit Facility Issuer if the principal of and interest on the defeased Bonds is secured by a Credit Facility and such Credit Facility Issuer is not in default under such Credit Facility or, if not so secured by a Credit Facility, acceptable to the Rating Agency or Agencies then rating the defeased Bonds:

(a) U. S. Obligations which are not redeemable prior to maturity except by the holder thereof;

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate; and

(c) Evidences of ownership of proportionate interests in future interest and/or principal payments on obligations described in (a) held by a bank or trust company as custodian.

“Facilities” shall mean all the facilities of the System, and all parts thereof, including the Landfill, and any facilities which may hereafter be a part of the System, by any additions, betterments, extensions, improvements thereto, or property of any kind or nature, real or personal, tangible or intangible, hereafter constructed or acquired by the County.

“Fiscal Year” shall mean that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law as the Fiscal Year of the County.

“Landfill” shall mean the landfill site and other properties relating thereto owned by the County for the purpose of collecting and disposing of all solid waste generated in the County.

“Maximum Annual Debt Service Requirement” shall mean, at any time, the maximum amount required to be deposited in the then current or any succeeding Fiscal Year into the Interest Account, Principal Account and Bond Redemption Account, as provided in Part II of the Resolution; provided, however, that such amount shall be reduced by any estimated earnings or investment income from investments in any of the funds or accounts created and established under Part II of the Resolution, which are required to be deposited in the Interest Account, Principal Account and Bond Redemption Account by the terms of the Resolution. The amount of Term Bonds maturing in any Fiscal Year which were subject to mandatory redemption, in part, prior to their stated date of maturity by operation of the Bond Redemption Account shall not be included in determining the Maximum Annual Debt Service Requirement in their final Fiscal Year of maturity.

“Maximum Interest Rate” shall mean, with respect to any particular Series of Variable Rate Bonds issued pursuant to the terms and provisions of the Resolution, the maximum rate of interest such Bonds may bear at any particular time, which rate shall not exceed the rate of interest allowed under Florida law.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Net Revenues” shall mean the Gross Revenues remaining after deduction of Operating Expenses and deposits, if any, into the Rate Stabilization Fund.

“Operating Expenses” shall mean the expenses of operation, maintenance and ordinary repairs of the System and its Facilities and shall include, without limiting the generality of the foregoing, insurance premiums, if any, administrative general expenses of the County relating to the System, engineering expenses, legal and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, taxes, payments in-lieu-of-taxes and/or franchise fees and such other reasonable expenses as shall be in accordance with generally accepted accounting principles and properly allocable to the System. “Operating Expenses” shall not include extraordinary repairs, any allowance for depreciation, any extraordinary items arising from the early extinguishment of debt, interest, amortization, any costs and expenses for new construction or deposits to any closure reserve or escrow fund established for the Landfill.

“Outstanding” shall mean, when used with reference to the Bonds authorized under the Resolution, as of any particular date, all Bonds theretofore, or thereupon being, authenticated and delivered by the Registrar under the Resolution, except (i) Bonds theretofore or thereupon cancelled by the Registrar or surrendered to the Registrar for cancellation; (ii) Bonds with respect to which all liability of the County shall have been discharged in accordance with the terms and provisions of the Resolution; (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to any provision of

the Resolution; (iv) Bonds cancelled after purchase in the open market or because of payment at redemption prior to maturity; and (v) Bonds held or purchased by the County.

“Permitted Investments” shall mean (i) to the extent permitted by law U.S. Obligations and (ii) all other investments permitted under the laws of Florida and acceptable to the Credit Facility Issuer, if any.

“Project” shall mean the Cost of the construction and acquisition of additions, extensions and improvements to the System; funding of all or part of the Debt Service Reserve Account, if any, established for the Series of Bonds issued to finance the Project, or, in lieu thereof, payment of the premiums for a Reserve Account Credit Facility Substitute; interest on the Bonds properly allocable to such Project prior to, during and for one (1) year after completion of such Project; engineering costs, and legal and financing fees and expenses; the costs of issuance of the Bonds; expenses for estimates of costs and of revenues; expenses for plans, specifications and surveys, administrative expenses relating to such construction and acquisition; the premium or fees for the Credit Facility, if any; and such other costs and expenses necessary, or incidental to the financing of such Projects authorized by the Resolution and for the payment of any temporary obligations issued for the purposes provided in the Resolution.

“Rating Agency” or “Agencies” shall mean Moody’s and/or S&P, and/or such other nationally recognized securities rating agency, whichever shall have a rating then in effect with respect to the Bonds.

“Revenues” or “Gross Revenues” shall mean all rates, fees, charges, including Connection Charges, capital contributions, special assessments with respect to the water and sewer system levied by the County, on or before the issuance of the first Series of Bonds and pledged to the payment of the Outstanding Bonds and Special Assessments (if so pledged by subsequent proceedings of the County or any other income received by the County from the operation of the System or from any agency thereof in control of the management and operation of the System, and all parts thereof, and shall also include the earnings and investment income derived from the investment of moneys on deposit in the various funds and accounts and established under Part II of the Resolution, which by the terms and provisions of Part II of the Resolution are required to be deposited in the Interest Account or the Revenue Fund created and established under Part II of the Resolution; provided, however, that Revenues shall not include (1) revenues received from the of any County utility systems or public works enterprise constructed and/or acquired from the proceeds of Special Purpose Bonds, and (2) moneys received by the County from Federal, State or local governments for capital improvements to the System.

“S&P” shall mean Standard & Poor’s Corporation, a corporation organized and existing under the laws of the State of its successors and their assigns, and, if such corporation dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Series” shall mean all of the Bonds authenticated, issued and delivered at one time under and pursuant to the terms of the Resolution or any supplemental resolution authorizing such

Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the terms and provisions of the Resolution, regardless of variations in maturity, interest rate or other provisions.

“Special Assessments” shall mean, as determined by subsequent proceedings of the County, all proceeds derived by the County from the special assessments levied against the real property specially benefited by the acquisition and construction of a Project financed by such Series of Bonds, or levied against real property in relation to each such property’s benefit derived from the services performed by the System, including interest collected on such Assessments and any penalties or moneys received upon foreclosure of the liens of such Special Assessments.

“Special Purpose Bonds” shall mean the Bonds issued by the County for the purposes of providing financing for the construction and/or acquisition of Special Purpose Facilities as provided for in Part II of the Resolution.

“System” shall mean the Manatee County Public Utilities System consisting of the combined Water and Sewer System, which shall include the complete waterworks plant and transmission system, and complete sanitary sewer collection, treatment and transmission system, now owned and/or operated or hereafter owned and/or operated by the County, including all additions, extensions and improvements heretofore or hereafter constructed or acquired, together with all lands or interest therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment and all property, real or personal, tangible or intangible, now or hereafter owned, used or operated by the County in connection therewith; the Solid Waste System, which shall include the unified solid waste collection, disposal and recycling system now owned and/or operated or hereafter owned and/or operated by the County, including any plant, equipment, facility, the Landfill and any other landfill site or property (real, personal and intangible), necessary or used in connection with the collection, treatment or disposal of solid waste, heretofore or hereafter acquired or constructed by the County; and the Stormwater Management System, which shall include, but not be limited to, storm sewers, drains, culverts, retention systems, detention basins, drainage wells, conduits and appurtenant features, catch basins, desilting facilities, recharging basins, outfall structures and all appurtenances, whether man-made or natural, now owned and/or operated or hereafter owned and/or operated by the County, together with all properties (real, personal and intangible) now or in the future owned or leased or under the control of the County, including but not limited to the 1991 Project upon the complete defeasance of the Outstanding Bonds, Facilities, franchises, management agreements and operational systems relating thereto, any facilities which may hereafter be a part thereof, by any additions, betterments, extensions or improvements thereto, all appurtenances whether man-made or natural, which is necessary, useful or convenient for the System. Notwithstanding any of the foregoing to the contrary, the term “System” shall not include any interest or rights the County may have now or in the future in any of the, assets (whether real, personal or intangible) of the Peace River/Manasota Regional Water Supply Authority, of which the County is a member. Pursuant to the terms and provisions of the Resolution, the System shall also include, if determined by subsequent proceedings of the Board to be in the best interest of the County after the Consultant certifies in writing to the Board that the combining of such additional utility system or public works enterprise shall not have an adverse effect upon the existing System and is reasonably related to the type, management and operation of the System, any other County utility system or public works enterprise now or in the future owned or operated by the County. Notwithstanding the foregoing, the County may issue

Special Purpose Bonds for any Special Purpose Facilities (as herein defined) pursuant to the terms, provisions and conditions of the Resolution and the resolution authorizing such Special Purpose Bonds, and the facilities constructed and/or acquired from the proceeds thereof shall not constitute a part of the System for the purposes of operation and maintenance and the collection of Revenues in the manner provided in the Resolution but shall be separate and apart therefrom and the revenues derived therefrom shall not be pledged to the payment of the Bonds.

“Tax Certificate” shall mean the applicable Tax Certificate as to Arbitrage and Instructions as to Compliance with provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended, executed by the County on the date of initial issuance and delivery of any Series of Bonds, as such Tax Certificate may be amended from time to time, and which serves as a source of guidance for achieving compliance with the Code.

“Variable Rate Bonds” shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

Negotiability, Registration and Cancellation

At the option of the registered holder thereof and upon surrender thereof at the principal corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney and upon payment by such holder of any charges which the Registrar may make as provided in the Resolution, the Bonds may be exchanged for Bonds of the same Series, interest rate and maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by the holder thereof in person or by his attorney duly authorized in writing only upon the books of the County kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the holder or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name the transferee a new Bond or Bonds. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (i) to transfer or exchange Bonds for a period of 15 days next preceding an Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (ii) to transfer or exchange any Bonds called for redemption.

Bonds Mutilated, Destroyed, Stolen or Lost

In case any Bond shall become mutilated, destroyed, stolen or lost, the County may execute and the Registrar shall authenticate and deliver a new Bond of like date, maturity, denomination and interest rate as the Bond so mutilated, destroyed, stolen or lost; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the County and, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the County

and the Registrar evidence of such loss, theft, or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to them. In the event any such Bond shall be about to mature or have matured or have been called for redemption, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County and the Registrar may charge the Holder of such Bond their reasonable fees and expenses in connection with this transaction.

Rate Covenant

The County has covenanted in the Resolution that in each Fiscal Year it will fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and Facilities of its System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year Net Revenues, which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement for the Bonds; and that such Net Revenues shall be sufficient to make all of the payments required by the Resolution which include, but are not limited to, all obligations owed to the issuer of a Reserve Account Credit Facility Substitute.

Establishment of Funds and Accounts; Disposition of Revenues

The following Funds and Accounts have been created and established by the Resolution:

Revenue Fund;

Rate Stabilization Fund;

Sinking Fund, which shall consist of an Interest Account, Principal Account, a Bond Redemption Account, and a Debt Service Reserve Account for the Series 2003 Bonds (in the Resolution, the County has reserved the right but has not covenanted to establish additional separate Debt Service Reserve Accounts in the Sinking Fund for any other Series of Bonds hereafter issued pursuant to the Resolution); and

Capital Improvement Fund.

The Revenues shall be disposed of only in the following manner

1. Revenues shall be used, to the full extent necessary, to pay Operating Expenses that are due and payable during the current calendar month.

2. Revenues, if the Board determines it to be in the best interest of the County, shall next be used, in the manner and in the amounts provided below, for deposit into the Rate Stabilization Fund. Prior to any deposits to the Rate Stabilization Fund, the County shall cause the Consultant to produce a report (the "Consultant's Report") which, based on the average of the annual Operating Expenses of the System for each of the last three (3) Fiscal Years, estimates what the annual increase in Operating Expenses will be for the System for the fourth Fiscal Year after the date of such report and the next two (2) succeeding Fiscal Years thereafter (herein referred to as the "Rate Stabilization Withdrawal Cycle"). In addition to taking into account historical information regarding Operating Expenses for the purpose of such Consultant's

Report, the Consultant shall determine increases to annual Operating Expenses during the next succeeding Rate Stabilization Withdrawal Cycle by also taking into account (i) known additions, extensions and improvements to the System which will or would expect to result in increased annual operating expenses, and (ii) a reasonable inflation factor for each of the three (3) Fiscal Years during the Rate Stabilization Withdrawal Cycle. The total amount set forth in such Consultant's Report representing increases to Operating Expenses during the next succeeding Rate Stabilization Withdrawal Cycle shall be referred to as the "Rate Stabilization Deposit Amount." During each of the next thirty-six (36) months prior to the commencement of the Rate Stabilization Withdrawal Cycle (herein referred to as the "Rate Stabilization Deposit Cycle"), the County shall deposit into the Rate Stabilization Fund, each month, 1/36th of the amount that, when added to amounts already on deposit, or to be deposited into the Rate Stabilization Fund with respect to any Fiscal Year in the Rate Stabilization Withdrawal Cycle pursuant to a prior Consultant's Report, including any investment earnings thereon, will equal the Rate Stabilization Deposit Amount. The Rate Stabilization Withdrawal Cycle and Rate Stabilization Deposit Cycle may be decreased to a term less than three (3) Fiscal Years or increased to a term longer than three (3) Fiscal Years, but not more than six (6) Fiscal Years, by subsequent proceedings of the Board. Moneys on deposit in the Rate Stabilization Fund may be withdrawn at such times as the County shall determine to be necessary during the Rate Stabilization Withdrawal Cycle to pay such increases to Operating Expenses which would otherwise be payable from increased rates. Pending such withdrawal, moneys on deposit therein may be invested in Permitted Investments. Moneys on deposit in the Rate Stabilization Fund may not be used to pay debt service on the Bonds.

3. Revenues shall next be used, to the full extent necessary, for deposit into the Interest Account in the Sinking Fund, on the fifteenth (15th) day of each month, beginning with the fifteenth (15th) day of the first full calendar month following the date on which any or all of the Bonds are delivered to the purchaser thereof, such sums as shall be sufficient to pay one-sixth (1/6th) of the interest becoming due on the Bonds on the next semiannual Interest Payment Date; provided, however, that such monthly deposits for interest shall not be required to be made into the Interest Account to the extent that money is on deposit therein or moneys are allocated thereto under the Capitalized Interest Cost Centers in the Acquisition/Construction Fund (created and established under the Resolution) for such purpose, and provided further, that in the event the County has issued pari passu additional Variable Rate Bonds pursuant to the provisions of the Resolution, Net Revenues shall be deposited at such other or additional times and amounts as necessary to pay the interest becoming due on the Bonds on the next Interest Payment Date, all in the manner provided in the supplemental resolution authorizing such pari passu additional Variable Rate Bonds.

The income and investment earnings derived from the moneys and investments on deposit in the Interest Account shall be retained therein and the moneys and investment earning on deposit in the Principal Account, the Bond Redemption Account and the Debt Service Reserve Account shall be deposited in the Interest Account, and such income and investment earnings shall be credited against the amount of Net Revenues required to be deposited in the Interest Account.

In the event that the period to elapse between the date of the delivery of the Bonds and the next semiannual Interest Payment Date will be less or more than six (6) months, then such

monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required semiannual interest amount maturing on the next Interest Payment Date.

4. Revenues shall next be used, to the full extent necessary:

(a) for deposit in the Principal Account in the Sinking Fund, on the fifteenth (15th) day of each month in each year, one twelfth (1/12th) of the principal amount or Accreted Value of the Serial Bonds which will mature and become due on the next annual maturity date. In the event the period to elapse between the date of delivery of the Bonds and the next principal payment date will be less or more than twelve (12) months, then such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required principal amount maturing on the next principal payment date.

(b) for deposit into the Bond Redemption Account in the Sinking Fund (or such special subaccount created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board), on the fifteenth (15th) day of each month in each year, one twelfth (1/12th) of the amount required for the payment of the Term Bonds, as shall be determined by subsequent proceedings of the Board, until the amount on deposit therein is equal to the amount required to be paid on the next installment payment date.

The moneys in the Bond Redemption Account (or such special subaccount created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board) shall be used solely for the purchase or redemption of the Term Bonds payable therefrom. The County may purchase any of the Term Bonds at prices not greater than par and accrued interest and may purchase Capital Appreciation Bonds and/or Capital Appreciation and Income Bonds (if such Capital Appreciation Bonds or Capital Appreciation and Income Bonds are Term Bonds) at prices not greater than the Accreted Value or Appreciated Value, as the case may be, as of the date of purchase. If, by the application of moneys in the Bond Redemption Account or the Capital Improvement Fund, as provided below, the County shall purchase or call for redemption in any year Term Bonds in excess of the installment requirement for such year, such excess of Term Bonds so purchased or redeemed shall at the option of the County either be credited on a pro rata basis over the remaining installment payment dates or credited against the following year's installment requirement.

The County shall, to the extent of any moneys in the Bond Redemption Account (or such special account created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board) , be mandatorily obligated to use such moneys for the redemption prior to maturity of Term Bonds in such manner and at such times as shall be determined by subsequent proceedings of the Board.

No distinction or preference shall exist in the use of moneys on deposit in the Revenue Fund for payment into the Interest Account, the Principal Account and the Bond Redemption Account in the Sinking Fund, such accounts being on a parity with each other.

5. To the extent not funded from Bond proceeds or covered by Reserve Account Credit Facility Substitutes (as herein defined), Revenues shall next be used on a pro rata basis, to the full extent necessary, for deposits into each of the Debt Service Reserve Accounts in the

Sinking Fund, on the fifteenth (15th) day of each month in each year, beginning with the fifteenth (15th) day of the first full calendar month following the date on which any or all of the Bonds issued are delivered to the purchaser thereof, such sums as shall be sufficient to pay an amount equal to one-twelfth of twenty percent (1/12th of 20%) of the Debt Service Reserve Requirement applicable for each Series of Bonds; provided, however, that no payments shall be required to be made into the Debt Service Reserve Accounts whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such Series of Bonds; provided further, however, that if Revenues are insufficient to make the required deposits into the applicable Debt Service Reserve Accounts, such Revenues, which are available, will be deposited therein on a pro rata basis.

Notwithstanding the foregoing provisions, in lieu of the deposits of Net Revenues into any of the Debt Service Reserve Accounts created and established under Part II of the Resolution, the County may cause to be deposited into any of the Debt Service Reserve Accounts a surety bond, an unconditional direct pay letter of credit issued by a bank, a reserve account line of credit or a municipal bond insurance policy issued by a reputable and recognized municipal bond insurer for the benefit of the Holders of the applicable Series of Bonds for which such Debt Service Reserve Account has been created (sometimes referred to herein as a "Reserve Account Credit Facility Substitute") in an amount equal to the difference between the Debt Service Reserve Requirement for such Series of Bonds and the sums then on deposit in the applicable Debt Service Reserve Account, if any, which Reserve Account Credit Facility Substitute shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which a deficiency exists which cannot be cured by funds in any other account held pursuant to Part II of the Resolution and available for such purpose under the terms and order of priority as established by Part II of the Resolution. In addition, the County, at any time by subsequent proceedings of the Board, may substitute a Reserve Account Credit Facility Substitute for all or part of the moneys on deposit in any of the Debt Service Reserve Accounts. Under such circumstances, the principal amount of Reserve Account Credit Facility Substitute and the moneys on deposit in such Debt Service Reserve Account shall be in an amount equal to the Debt Service Reserve Requirement for such Series of Bonds for which such Debt Service Reserve Account was created. Such municipal bond insurer or bank in the case of a letter of credit or line of credit shall be one whose municipal bond insurance policies or unconditional direct pay letters of credit or other type of credit enhancement insuring or guaranteeing the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by any Rating Agency or Agencies then rating the Bonds, and in the case the provider of such Reserve Account Credit Facility Substitute is an insurer, such insurer holds the highest policyholder rating accorded insurers by A.M. Best & Company, or any comparable service. If a disbursement is made from a Reserve Account Credit Facility Substitute, the County shall be obligated to reinstate the maximum limits of such Reserve Account Credit Facility Substitute following such disbursement at the time or times required by the issuer of the Reserve Account Credit Facility Substitute, or, with the consent of the issuer of such Reserve Account Credit Facility Substitute, to replace such Reserve Account Credit Facility Substitute by depositing into the applicable Debt Service Reserve Account from the Revenues, as provided in the Resolution, immediately, following the receipt of the consent of the issuer of such Reserve Account Credit Facility Substitute, funds in the maximum amount originally payable under such Reserve Account Credit Facility Substitute, or any combination of such alternatives. If a disbursement is made from more than one Reserve Account Credit

Facility Substitute and/or from moneys on deposit in more than one Debt Service Reserve Account, the County shall be required to reinstate each Reserve Account Credit Facility Substitute and/or make deposits therein, as described above, on a pro rata basis. In the event a Debt Service Reserve Account is funded, both with cash (including Permitted Investments of such cash) and a Reserve Account Credit Facility Substitute in the aforementioned manner, and it is necessary to make payments attributable to debt service on the Series of Bonds for which such Debt Service Reserve Account relates into the Interest Account, Principal Account or Bond Redemption Account in the Sinking Fund when moneys in the Revenue Fund and Capital Improvement Fund, are insufficient therefor, the County covenants to deposit the cash (including Permitted Investments of such cash) on deposit in such Debt Service Reserve Account into s' h accounts in the Sinking Fund prior to making any disbursements made from such Reserve Account Credit Facility Substitute.

Whenever there is on deposit in a Debt Service Reserve Account an amount in excess of the Debt Service Reserve Requirement for the Series of Bonds for which such Debt Service Reserve Account. relates, the amount of such excess shall be reduced in the following manner: (a) if there is on deposit in the Debt Service Reserve Account a Reserve Account Credit Facility Substitute, as provided herein, the principal amount thereof shall be reduced by the amount of such excess, and (b) if there is on deposit in such Debt Service Reserve Account, cash (or Permitted Investments of such cash), the County shall reduce the amount of cash and/or Permitted Investments of such cash in the Debt Service Reserve Account in an amount equal to such excess. The cash and/or Permitted Investments of such cash so withdrawn under clause (b) above shall be deposited in the Revenue Fund or the Capital Improvement Fund, as shall be determined at the option of the Board, and used for the purposes provided therein.

Each Debt Service Reserve Account shall be used only for the purpose of making payments into the Interest Account, the Principal Account and the Bond Redemption Account, as such payments relate to debt service on the Series of Bonds for which such Debt Service Reserve Account was created when the moneys in the Revenue Fund and Capital Improvement Fund are insufficient therefor; and provided further, however, that moneys on deposit in a Debt Service Reserve Account may, upon final maturity of the Series of Bonds for which such Debt Service Reserve Account was created, be used to pay principal of and interest on such Series of Bonds. Notwithstanding any provision in Part II of the Resolution to the contrary, the County covenants to apply available Net Revenues to the payment of principal of and interest on each Series of Bonds issued under the Resolution on a pro rata basis without regard to the creation and establishment of a Debt Service Reserve Account for any one or more Series of such Bonds.

6. Revenues shall next be used, first, for the repayment of any obligations owed to the provider(s) of a Reserve Account Credit Facility Substitute (pro rata, if necessary), and second, for the payment of any subordinated indebtedness hereafter issued by the County in connection with the System in accordance with the proceedings authorizing such subordinated indebtedness.

7. Thereafter, the balance of any Revenues remaining in the Revenue Fund shall be deposited in the Capital Improvement Fund and used by the County to make (1) additions, extensions and improvements to the System, (2) to pay the costs of replacement or renewal of capital assets of the System or extraordinary repairs thereto, (3) to establish reserves for closure

costs of the County's Landfill, (4) to purchase or redeem Bonds prior to maturity, or (5) for any public works project legally permitted under applicable law (including the payment of debt service on bonds and other debt obligations issued by the County for such public works projects) in the manner and amount determined by subsequent proceedings of the Board; provided, however, that none of such Net Revenues shall ever be used for the purposes provided in this paragraph (7) unless all payments required in paragraphs (1) to (6) above, including any deficiencies for prior payments, have been made in full to the date of such use; provided further, however, that the moneys in the Capital Improvement Fund shall be used for payment into the Interest Account, the Principal Account and the Bond Redemption Account in the Sinking Fund whenever the moneys in the Revenue Fund are insufficient therefor.

For the purpose of the next preceding sentence, the term "public works" shall mean capital projects for the acquisition, construction and/or rehabilitation of roads, highways, bridges and tunnels, and such other legally permissible capital projects relating thereto as shall be determined by ordinance of the County enacted by a majority vote of the Board.

Investments

Moneys on deposit in the Revenue Fund, the Capital Improvement Fund, the Rate Stabilization Fund and the Sinking Fund may be invested in U.S. Obligations or any other Permitted Investments maturing not later than such date or dates as the County shall determine.

All income and earnings received from the investment and reinvestment of moneys on deposit in the Capital Improvement Fund and the Revenue Fund shall be transferred to or retained in the Revenue Fund, as the case may be, and used in the same manner as other moneys on deposit therein.

All income and earnings received from the investment and reinvestment of moneys on deposit on the Rate Stabilization Fund shall be retained therein and used in the same manner as other moneys on deposit therein.

Discharge and Satisfaction of Bonds

The covenants, liens and pledges entered into, created or imposed pursuant to the Introduction, where applicable, and Part II of the Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(a) by paying the principal of and interest on Bonds when the same shall become due and payable; or

(b) by depositing in the Interest Account, Principal Account, Debt Service Reserve Account (but only with respect to the Series of Bonds proposed to be paid within the meaning of this subparagraph) and the Bond Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Bonds, as the County may hereafter create and establish by resolution, certain moneys which together with other moneys lawfully available therefor and deposited therein shall be sufficient at the time of such deposit to pay the Bonds, the interest thereon and the redemption premium, if any, as the same become due on said Bonds on or prior to the redemption date or maturity date thereof; or

(c) by depositing in the Interest Account, Principal Account, Debt Service Reserve Account (but only with respect to the Series of Bonds proposed to be paid within the meaning of this subparagraph) and the Bond Redemption Account, or such other accounts which are irrevocably pledged to the payment of the Bonds as the County may hereafter create and establish by resolution, moneys which, together with other moneys lawfully available therefor, and deposited therein when invested in Defeasance Obligations will provide moneys which shall be sufficient to pay the Bonds, the interest thereon and the redemption premium, if any, as the same shall become due on said Bonds on or prior to the redemption date or maturity date thereof.

(d) Notwithstanding the foregoing all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of a Series of Bonds, any maturity or maturities of a Series of Bonds, any portion of a maturity of a Series of Bonds or any combination thereof.

Notwithstanding the foregoing, in the event that the payment or deposit in the amount and manner provided in Part II of the Resolution has been made by the Credit Facility Issuer under the terms of its Credit Facility, the Credit Facility Issuer shall be subrogated to the rights of the Holders of the Bonds and the liability of the County, with respect thereto, shall not be discharged or extinguished.

For the purposes of determining the amount of interest on Variable Rate Bonds whether discharged and satisfied under the provisions of subsections (a), (b) and (c) above, the amount required for the interest thereon shall be calculated at the Maximum Interest Rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds.

Upon such payment or deposit in the amount and manner provided in Part II of the Resolution, the Bonds shall no longer be deemed to be Outstanding for the purposes of the Resolution and all liability of the County with respect to such Bonds shall cease, terminate and be completely discharged and extinguished, and the Holders thereof shall be entitled for payment solely out of the moneys or securities so deposited.

In the case of Bonds which by their terms may be redeemed prior to their stated maturity, the County shall give the Registrar, in form satisfactory to the Registrar, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date;

(b) requiring the Registrar to call for redemption pursuant to the terms of such Bonds any Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

(c) requiring the Registrar to mail, as soon as practicable, a notice to the owners of such Bonds that the deposit required under the Resolution has been made and that such Bonds are deemed to have been paid in accordance with the Resolution and stating the maturity or redemption; date upon which money is to be available for the payment of the principal or redemption price, if applicable, on such Bonds as specified in (a) hereof. Notwithstanding the foregoing, the discharge and satisfaction of the Bonds shall not be conditioned on the giving of such notice.

Notwithstanding anything contained in the Resolution to the contrary, the covenants, liens and pledges contained in Part II of the Resolution shall not be fully discharged and satisfied until all obligations owed to the provider(s) of the Reserve Account Credit Facility Substitute have been satisfied.

Sale of the System

Except as otherwise provided in the Resolution, the System may be sold, leased or otherwise disposed of, only as a whole or substantially as a whole, and only if the net proceeds to be realized, together with other moneys lawfully available for such purpose, if any, shall be sufficient to retire all of the Bonds issued to the Resolution and to pay all interest thereon to their respective dates of maturity or earlier redemption dates in the manner provided in Part II of the Resolution. The proceeds from such sale, lease or other disposition of the System and such other available moneys shall be applied in the manner provided in Part II of the Resolution, and shall be used solely for the purposes of paying the principal of the Bonds, the interest thereon and redemption premiums, if any, as same shall become due on the Bonds on or prior to the redemption date or the maturity date thereof as shall be hereafter determined by subsequent proceedings of the Board.

Except as provided in the Resolution, prior to lease or other disposition of any part of the System or any portion thereof, which is presently being used in connection with operations of the System or is contemplated to be used within Fiscal Year for the operations of the System (herein referred to as "Property In Use"), if the amount to be received from such sale, lease or other disposition of any part of the System is not in excess of \$300,000, the duly authorized person in charge of the System shall make a finding in writing determining that such property comprising a part of such System is no longer necessary or useful or profitable in the operation thereof or that other properties of the System can be substituted (in the written opinion of the Consultant) for such Property In Use, the Board shall approve and concur in the finding of such duly authorized person, and authorize such sale, lease or other disposition of said property, and such proceeds shall be deposited in the Sinking Fund to the extent of any deficiencies therein and then in the Capital Improvement Fund and used in the manner provided therein. For the purpose of this paragraph, only a lease with a term greater than one year will be considered a "lease" within the meaning of this paragraph. In determining whether the amount received is "not in excess of \$300,000," when the sale, lease or other disposition results in lease payments or other payments over time, the County shall annualize the largest amount of such payments over a twelve (12) month period and treat such annualized amount as the consideration received from such disposition.

If the amount to be received from such sale, lease or other disposition of said Property In Use shall be in excess of \$300,000, the duly authorized person in charge of such System, shall first make a finding in writing determining that such property comprising a part of such System is no longer necessary or useful or profitable in the operation thereof, which finding shall be approved by the Consultant or that other properties of the System can be substituted (in the written opinion of the Consultant) for such Property In Use, and the Board shall, by resolution duly adopted, approve and concur in the findings of such duly authorized person, and authorize such sale, lease or other disposition of said property and such proceeds shall, to the extent permitted under the Code be deposited into the Interest Account or Principal Account, or Bond

Redemption Account, and used in the manner provided therein, and to the extent such deposits would adversely affect the exclusion from gross income of interest on any Series of Bonds, such amounts shall be deposited in the Capital Improvement Bonds and used to purchase and retire Bonds. For the purpose of this paragraph, only a lease with a term greater than one year will be considered a “lease” within the meaning of this paragraph. In determining whether the amount received is “in excess of \$300,000,” when the “sale, lease or other disposition” results in lease payments or other payments over time, the County shall annualize the largest amount of such payments over a twelve (12) month period and treat such annualized amount as the consideration received from such disposition.

Any disposition of Property In Use shall be for fair and reasonable consideration, as determined by the Board.

In connection with the sale, lease or disposition of any part of the System or any portion thereof, which is not presently being used in connection with the operations of the System or is not contemplated to be used in the future for the operations of the System (herein referred to as “Property Not In Use”), as determined by the Consultant), the Board shall, by subsequent proceedings, authorize the disposition of such Property Not In Use. Except as provided in the next succeeding paragraph, any disposition of Property Not In Use shall be for fair and reasonable consideration, as determined by a finding in writing by the Board upon the advice of the consultant. The proceeds from the disposition of any Property Not In Use shall be deposited in the Capital Improvement Fund.

Notwithstanding any provision in the Resolution to the contrary, the County may, by subsequent proceedings of the Board, use or permit the use thereof, as the case may be (other than by a fee simple disposition), or lease, for any County or not-for-profit purpose any part of the System, provided such use or lease does not interfere with the operations of the System. Such use or lease of any part of the System may be for nominal consideration.

Issuance of Other Obligations Payable out of Net Revenues

The County has covenanted in the Resolution that it will not issue any other obligations, except upon the conditions provided therein, payable from the Net Revenues nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority or being on a parity with the lien of the Bonds issued pursuant to the Resolution and the interest thereon upon any of the Net Revenues.

Issuance of Pari Passu Additional Bonds

No pari passu additional Bonds (as herein defined), payable pari passu with Bonds out of Net Revenues shall be issued after the issuance of any Bonds pursuant to the Resolution except upon the conditions and in the manner provided in the Resolution.

No such pari passu additional Bonds shall be issued unless the following conditions are complied with:

(a) The County must be current in all deposits into the various funds and accounts and all payments required to have been theretofore deposited or made by it under the provisions

of the Resolution and any supplemental resolutions hereafter adopted for the issuance of pari passu additional Bonds and has complied with the covenants and provisions of the Resolution, and any supplemental resolutions hereafter adopted for the issuance of pari passu additional Bonds.

(b) The amount of the Net Revenues as received during any twelve (12) consecutive months of the twenty-four months immediately preceding the issuance of said pari passu additional Bonds, as certified by the Clerk and as may be adjusted, as hereinafter provided, will be equal to one hundred fifteen per centum (115%) of the Maximum Annual Debt Service Requirement; on (1) the Bonds originally issued pursuant to the Resolution then Outstanding, (2) any pari passu additional Bonds theretofore issued and then Outstanding, and (3) the pari passu additional Bonds then proposed to be issued; provided that for the purpose of determining the Maximum Annual Debt Service Requirement under the Resolution, the interest rate on Variable Rate Bonds then Outstanding shall be the greater of (i) the average daily interest rate on such Variable Rate Bonds during the preceding Fiscal Year or (ii) the actual rate of interest applicable to such Variable Rate Bonds on the date of issuance of such Variable Rate Bonds; and provided, further, that if pari passu additional Variable Rate Bonds are to be issued the interest rate thereon shall be calculated in accordance with the 30 year Revenue Bond Index as published by The Bond Buyer as of the last week of the month preceding the date of issuance of such Variable Rate Bonds, or if that index is no longer published, the interest rate as of the last week of such month as published in an index that is deemed to be substantially equivalent.

(c) In the event any pari passu additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the condition of (b) above shall not apply, provided that the issuance of such pari passu additional Bonds shall result in a reduction or shall not increase the annual debt service payments over the life of the Bonds so refunded.

The adjustment of Net Revenues which are permitted by the foregoing subparagraph (b) of this caption, shall be certified to the County by the Consultant and shall be computed as follows:

(a) If the County, prior to the issuance of the proposed pari passu additional Bonds, shall have increased the rates, fees, rentals or other charges for the services and/or use of the Facilities of the System, the Net Revenues for the twelve (12) consecutive months immediately preceding the issuance of the pari passu additional Bonds shall be adjusted to include the Net Revenues which would have been derived from said System in such twelve (12) consecutive months as if such increased rates, fees, rentals or other charges for the services and/or use of the Facilities of the System had been in effect during all of such twelve (12) consecutive months.

(b) If the County shall have acquired or has contracted to acquire any privately or publicly owned existing water system, sewer system, solid waste collection and disposal system, stormwater retention system, or any other utility system that the County will consolidate with the System, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed pari passu additional Bonds, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said pari passu additional Bonds, shall be increased by adding to the Net Revenues for such twelve (12) consecutive months seventy-five percent (75%) of the Net Revenues for such twelve (12) consecutive months

seventy-five percent (75%) of the projected Revenues which would have been derived from the aforementioned existing systems as if such system had been operated by the County as a part of the System during such twelve (12) consecutive months.

(c) If the County shall have entered into a contract which contract shall be for a duration of not less than the final maturity of the pari passu additional Bonds authorized for the purposes of such financing from the date the issuance of the proposed pari passu additional Bonds, with any public body whereby the County shall have agreed to furnish services consistent with the services performed by the System, then the Net Revenues of the System during the twelve (12) consecutive months immediately preceding the issuance of the pari passu additional Bonds shall be increased by the least amount which the entity receiving such services shall guarantee to pay in any one year for the furnishing of the services by the County, after deducting from such payment the estimated proportion of operating expenses and repair, renewal and replacement cost attributable in such year to such services.

(d) If there is an estimated increase in Revenues to be received by the County, as a result of additions, extensions or improvements to the System during the period three (3) years from delivery of the pari passu additional Bonds and the Board has taken official action toward the increase in Revenues, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said pari passu additional Bonds shall be increased by the average annual additional Net Revenues calculated for such three year period.

(e) If the County shall have (i) covenanted to levy Special Assessments against property to be benefited by the construction of additions, extensions and improvements to the System or to be specially benefited by the services provided by the System to such property, the cost of which shall be paid from the proceeds of the proposed pari passu additional Bonds, and (ii) pledged such Special Assessments to the payment of the Bonds, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of such pari passu additional Bonds shall be increased by an amount equal to eighty percent (80%) of the least amount which the Consultant estimates will be received in any one year from the levy of the Special Assessments, such estimated amount to be the total amount of the Special Assessments to be collected in such year. The estimate of the Consultant shall be based upon the preliminary assessment role filed with the County prior to the imposition of such Special Assessments.

The term “pari passu additional Bonds,” as used in the Resolution, shall be deemed to mean additional obligations evidenced by Bonds or other form of indebtedness permitted under the Act issued under the provisions and within the limitations of the Resolution payable from the Net Revenues of the System pari passu with Bonds originally authorized and issued pursuant to the Resolution. Such Bonds shall be deemed to have been issued pursuant to the Resolution, the same as the Bonds originally authorized and issued pursuant to the Resolution, and all of the covenants and other provisions of Part II of the Resolution. All of such Bonds, regardless of the time or times of their issuance shall rank equally with respect to their lien on the Net Revenues of the System and their sources and security for payment therefrom without preference of any Bonds, over any other.

The term “pari passu additional Bonds,” as used in the Resolution, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Net Revenues of the System is subject to the prior and superior lien on the Net Revenues for the payment of Bonds issued pursuant to the Resolution, and the County shall not issue any obligations whatsoever payable from the Net Revenues of the System, which rank equally as to lien on and source and security for their payment from such Net Revenues with Bonds issued pursuant to the Resolution except in the manner and under the conditions provided above.

In the event that the total amount of the Bonds authorized in the Resolution to be issued are not issued simultaneously but from time to time, such Bonds which are subsequently issued from time to time shall not be subject to the restrictions, conditions and limitations as to the issuance of pari passu additional Bonds, as provided above, provided that such Bonds which are subsequently issued shall be issued within six (6) months from the date the of the Bonds originally authorized under the Resolution are issued.

If, at any time, the County shall enter into an agreement or contract for an ownership interest in any public or privately owned water system, sewer system, solid waste disposal or collection system, stormwater retention system or such other utility system which the County proposes to consolidate into the System, whereby the County has agreed as part of the cost thereof to pay part of the debt service on the obligations of such public or privately owned system issued in connection therewith, such obligation to make payments shall, at the option of the County, be treated as either pari passu additional Bonds which must meet the requirements described above or be treated as junior, inferior and subordinate in all respects to the Bonds issued under the Resolution and to any other obligations hereafter issued by the County subject to the provisions of the Resolution.

Insurance

The County may carry such insurance as is ordinarily carried by private or public corporations owning and operating combined utility systems similar to the System with a reputable insurance carrier or carriers, including public and product liability insurance in such amounts as the County shall determine to be sufficient and such other insurance against loss or damage by fire, explosion (including underground explosion), hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall be in an amount or amounts, as shall be determined by the County.

The County may, alternatively or additionally, establish certain levels of insurance for which the County may self-insure.

Books and Records

The County will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the County, in which complete and correct entries shall be made of all transactions relating to the System, in accordance with generally accepted accounting principles for governmental units, and any holder or holders of Bonds or their agents issued pursuant to the Resolution, shall have the right at reasonable times and under reasonable

conditions to inspect all records, accounts and data of the County relating to the operation of the System.

The County shall, within six (6) months after the close of each Fiscal Year, be required to obtain an audit by a qualified and independent firm of certified public accountants of the books, records and accounts of the System for the preceding Fiscal Year and the financial statement prepared by such certified public accountants shall be filed with the County, which such financial statement shall cover in reasonable detail the operation of the System, the funds and fund balances and the County shall make available upon request a reasonable summary thereof, to any Holder or Holders of the Bonds issued pursuant to the Resolution.

Operating Budget

The County shall annually, prior to the start of each Fiscal Year, prepare and adopt by proper proceedings of its governing body a detailed budget of the estimated expenditures for operation and maintenance of the System and budgeted reserves and the estimated Revenues of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor (including amounts in the Rate Stabilization Fund during the Rate Stabilization Withdrawal Cycle) in such budget without a written finding and recommendation by the director of the System or other duly authorized officer in charge thereof, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have approved such finding and recommendation. The County shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the holder or holders of Bonds who shall file his or her address with the County and request in writing that copies of all such budgets and resolutions be furnished him or them, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder or Holders of Bonds issued pursuant to the Resolution.

Maintenance of the System

The County will maintain the System in good condition and continuously operate the same in an efficient manner and at a reasonable cost as a County revenue producing enterprise.

Remedies

Any holder of Bonds issued under the Resolution, or any trustee acting for such Bondholders in the manner hereinafter provided, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in the Resolution, and may enforce and compel the performance of all duties required by the Resolution, or by any applicable statutes to be performed by the County or by any officer thereof, including the fixing, charging and collecting of rates, fees on other charges for the services and Facilities of the System.

In the event that default shall be made in the payment of the interest on or the principal of any of the Bonds issued pursuant to the Resolution, as the same shall become due, or in the making of the payments into any reserve or sinking fund or any other payments required to be made by the Resolution, or in the event that the County or any officer, agent or employee thereof shall fail or refuse to comply with the Resolution, or shall default in any covenant made in the Resolution, and in the further event that any such default shall continue for a period of sixty (60) days, any holder of such Bonds, or any trustee appointed to represent Bondholders as provided in the Resolution, shall be entitled as of right to the appointment of a receiver of the System in an appropriate judicial proceeding in a court of competent jurisdiction, whether or not such holder or trustee is also seeking or shall have sought to enforce any other right or exercise any other remedy in connection with Bonds issued pursuant to the Resolution.

Any receiver appointed as provided in the Resolution and shall hold, operate and maintain, manage and control the System, and each and every part thereof, and in the name of the County shall exercise all the rights and powers of the County with respect to the System as the County itself might do. Such receiver shall collect and receive all Revenues and maintain and operate the System in the manner provided in the Resolution, and comply under the jurisdiction of the court appointing such receiver, with all of the provisions the Resolution.

Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, except as provided in the Resolution, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the County and the Bondholders.

The holder or holders of Bonds in an aggregate principal amount of not less than fifty-one per centum (51%) of Bonds issued under the Resolution then Outstanding may by a duly executed certificate in writing appoint a trustee for holders of Bonds issued pursuant to the Resolution, with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders. Such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk.

Any exercise of a remedy as set forth in the Resolution shall be subject to the consent of the Credit Facility Issuer, if any, and the Credit Facility Issuer shall have the right, acting alone, to exercise said remedies as long as it has not defaulted in its obligations under its Credit Facility. If there are more than one Credit Facility Issuer providing Credit Facilities for the Bonds, only the consent of the Credit Facility Issuers providing Credit Facilities for more than fifty percent (50%) of the Bonds Outstanding shall be required.

Enforcement of Collections

The County has covenanted under the Resolution that will diligently enforce and collect all fees, rentals or other charges for the services or use of the Facilities of the System, and take all steps, actions and proceedings reasonably necessary for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State of Florida.

Designation of Disposal Sites

The County has covenanted under the Resolution that as long as any Bonds shall remain Outstanding under the Resolution, the County shall require that all wastes collected from any unincorporated area of the County be transferred to the System in a manner and form as may be mandated in accordance with the Act.

No Competing Utility Systems

To the extent permitted under applicable law, the County shall not construct, acquire, or operate, or permit or consent to the construction, acquisition or operation of, any plants, structures, facilities or properties which may compete or tend to compete with the System.

No Free Service

Unless otherwise provided by law, the County will not render or cause to be rendered any free services of any nature by its System, or any part thereof, nor will any preferential rates or charges be established for users of the same class, and in the event the County, or any department, agency or instrumentality, officer or employee thereof, shall avail itself of the System or services provided by said System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the County and any such department, agency, instrumentality, officer or employee; provided, however, that the aforementioned restrictions shall not affect any rights of person, firm or corporation under pre-existing agreements or contracts. Notwithstanding the creation of a Stormwater Management System and the combining thereof into the System, no user of the System shall be deemed to be receiving free service with respect to stormwater management until the Board enacts and implements rates for such service. Such charges shall be paid as they accrue, and the County shall transfer from legally available sources sufficient moneys to pay such charges. The revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other Revenues. Notwithstanding any of the foregoing, the County may from time to time establish different classes and subclasses of users with respect to rates and charges, as well as exempt users with respect to stormwater management and solid waste collection and disposal, as may be prescribed by law and/or by resolution or ordinance of the County, provided that the County finds a rational basis for such classes or subclasses, or exempt users, which would further the health, welfare or safety of the residents of the County.

Capital improvements made to the System by the County from legally available moneys to address potential public health problems, and which benefit indigent persons, shall not be considered free service to such persons within the meaning of the Resolution.

Modification or Amendment

Except as otherwise provided in the following paragraph hereof, no material modification or amendment of the Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of

interest thereon, or affecting the unconditional promise of the County to fix, maintain and collect fees, rentals and other charges for the System or to pay the interest of and principal on the Bonds, as the same mature or become due, from the Net Revenues or reduce the percentage of holders of Bonds required above for such modification or amendments, without the consent of the Holders of all the Bonds.

The Resolution may be amended, changed, modified and altered without the consent of the Owners of Bonds, (i) to cure any ambiguity, correct or supplement any provision contained in the Resolution which may be defective or inconsistent with any other provisions contained in the Resolution, (ii) to provide other changes which will not adversely affect the interest of such Owners, (iii) to implement a Credit Facility or a Reserve Account Credit Facility Substitute, (iv) to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes, (v) to implement or discontinue a Book-Entry System, or (vi) to secure or maintain a rating on the Bonds.

To the extent any Series of the Bonds are secured by a Credit Facility and such Bonds are then rated in as high a rating category in which such Bonds were rated at the time of initial issuance and delivery thereof, by any Rating Agency or Agencies rating such Series of Bonds, then the consent of the Credit Facility Issuer shall constitute the consent of the Holders of such Series of Bonds to the extent the terms and provisions of the commitment of the Credit Facility Issuer so provide; and further, that such Credit Facility is not in default under its Credit Facility.

Notice of any amendment, change or modification to the Resolution made pursuant to the second paragraph under this heading shall be given to the Credit Facility Issuer. Any modification or amendment to the Resolution made pursuant to the first paragraph under this heading shall require the prior written consent of the Credit Facility Issuer if the Bondholders' consent shall be sought rather than the consent of the Credit Facility Issuer in lieu thereof. Copies of any amendments made under this heading shall be provided to S&P as soon as practical.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

FORM OF BOND COUNSEL OPINION

Upon delivery of the Series 2017 Bonds (as defined below) in definitive form, Greenberg Traurig, P.A., as Bond Counsel, proposes to render its final approving opinion with respect to such Series 2017 Bonds in substantially the following form:

_____, 2017

Board of County Commissioners of
Manatee County, Florida
Bradenton, Florida 34206

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of County Commissioners (the “Board”) of Manatee County, Florida (the “County”), and other proofs submitted to us relative to the issuance and sale of:

\$ _____
MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

Said Series 2017 Bonds (the “Series 2017 Bonds”) are issued under and pursuant to the Resolution hereinafter referred to. We have also reviewed such other documents and matters of law as we have considered necessary or appropriate for the purpose of this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the herein described Resolution.

On January 15, 1991, the Board adopted Resolution No. R-91-21 entitled: A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AUTHORIZING THE CREATION OF A MANATEE COUNTY PUBLIC UTILITIES SYSTEM CONSISTING OF THE COUNTY’S EXISTING WATER AND SEWER SYSTEM AND ALL FACILITIES PRESENTLY OWNED BY MANATEE COUNTY, FLORIDA, RELATING TO THE COLLECTION, CONTROL AND DISPOSAL OF SOLID WASTE AND STORMWATER RUNOFF; PROVIDING FOR THE ADDITION OF OTHER COUNTY UTILITY OPERATIONS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM IN THE FUTURE; AUTHORIZING THE ISSUANCE FROM TIME

TO TIME OF MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING OR REFINANCING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; AUTHORIZING THE FIRST, SECOND AND THIRD SERIES OF MANATEE COUNTY PUBLIC UTILITIES REVENUE REFUNDING AND IMPROVEMENT BONDS IN THE INITIAL AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$200,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING MANATEE COUNTY, FLORIDA, WATER AND SEWER REVENUE BONDS AND MAKING CERTAIN IMMEDIATE ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR THE TERMS AND PAYMENT FOR ALL MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF SAID MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING THAT THE FIRST AND SECOND SERIES OF PUBLIC UTILITIES REVENUE BONDS SHALL BE SECURED ONLY BY A PLEDGE OF THE NET REVENUES AND FACILITY INVESTMENT FEES OF THE COUNTY'S WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE, as amended and supplemented prior to December 12, 2017 (herein, the "Original Resolution"), which Original Resolution was supplemented by the Board on December 12, 2017, by the adoption of Resolution No. R-17-147, authorizing the issuance of the Series 2017 Bonds (said Original Resolution and such other mentioned resolutions as may be further amended and supplemented, are herein, collectively, referred to as the "Resolution").

On April 11, 1991, the County issued its Public Utilities Revenue Improvement Bonds, Series 1991 A, in the initial aggregate principal amount of \$44,685,000 (the "Series 1991 A Bonds") pursuant to the provisions of the Original Resolution.

On May 9, 1991, the County issued its Public Utilities Revenue Refunding Bonds, Series 1991 B, in the initial aggregate principal amount of \$37,840,000 (the "Series 1991 B Bonds") pursuant to the provisions of the Original Resolution.

On July 2, 1991, the County issued its Public Utilities Revenue Refunding and Improvement Bonds, Series 1991 C, in the initial aggregate principal amount of \$62,663,809.15 (the "Series 1991 C Bonds") pursuant to the provisions of the Original Resolution.

On July 9, 1992, the County issued its Public Utilities Revenue Bonds, Series 1992 A, in the initial aggregate principal amount of \$5,875,000 (the "Series 1992 A Bonds") pursuant to the provisions of the Original Resolution.

On October 13, 1993, the County issued its Public Utilities Revenue Refunding Bonds, Series 1993 A, in the initial aggregate principal amount of \$51,152,343.50 (the “Series 1993 A Bonds”) pursuant to the provisions of the Original Resolution.

On August 8, 2001, the County issued its Public Utilities Revenue Refunding Bonds, Series 2001 A, in the initial aggregate principal amount of \$16,620,000 (the “Series 2001 A Bonds”) pursuant to the provisions of the Original Resolution.

On October 1, 2003, the County issued its Public Utilities Revenue Refunding and Improvement Bonds, Series 2003, in the initial aggregate principal amount of \$74,545,000 (the “Series 2003 Bonds”) pursuant to the provisions of the Original Resolution.

On September 13, 2006, the County issued its Public Utilities Revenue Bonds, Series 2006, in the initial aggregate principal amount of \$44,895,000 (the “Series 2006 Bonds”) pursuant to the provisions of the Original Resolution.

On December 29, 2010, the County issued its Federally Taxable - Direct Payment - Public Utilities Revenue Improvement Build America Bonds, Series 2010 A, in the initial aggregate principal amount of \$17,925,000 (the “Series 2010A Bonds”), its Federally Taxable - Direct Payment - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010 B, in the initial aggregate principal amount of \$45,300,000 (the “Series 2010B Bonds”), its Public Utilities Revenue Improvement Bonds, Series 2010 C, in the initial aggregate principal amount of \$6,720,000, and its Taxable Public Utilities Revenue Improvement Bonds, Series 2010 D, in the initial aggregate principal amount of \$8,190,000 (collectively, the “Series 2010 Bonds”) all pursuant to the provisions of the Original Resolution.

On December 14, 2011, the County issued its Public Utilities Revenue Refunding Bonds, Series 2011, in the initial principal amount of \$22,650,000 (the “Series 2011 Bonds”) pursuant to the provisions of the Original Resolution.

On April 22, 2015, the County issued its Public Utilities Revenue Refunding and Improvement Bonds, Series 2015, in the initial principal amount of \$91,485,000 (the “Series 2015 Bonds”) pursuant to the provisions of the Original Resolution.

The Series 2017 Bonds are being issued for the purpose of (i) advance refunding, on a cross-over basis, the callable Series 2010A Bonds and all of the Series 2010B Bonds, (ii) funding interest on the Series 2017 Bonds to the Cross-Over Date, and (iii) paying a portion of the costs of issuance of such Series 2015 Bonds.

The outstanding Series 2010 Bonds, the Series 2011 Bonds and the outstanding Series 2015 Bonds are collectively referred to herein as the “Outstanding Bonds.”

The Series 2017 Bonds are dated the date of delivery to the original purchasers thereof. Said Series 2017 Bonds are issued as fully registered bonds in book-entry form only and shall be in the denomination of \$5,000 each, or any integral multiple thereof, bear interest at the rates per annum set forth below payable on April 1, 2018, and each October 1 and April 1 thereafter, and mature on October 1 in the years and amounts as provided below:

Maturity

Principal Amount

Interest Rate

Principal of the Series 2017 Bonds will be payable at the designated corporate trust office of U.S. Bank National Association. Interest on the Series 2017 Bonds will be payable by check or draft mailed to the registered owners of the Series 2017 Bonds, at their addresses as they appear on the registration books of the County kept by U.S. Bank National Association, as Registrar, on the fifteenth day of the calendar month preceding each interest payment date.

Certain of the Series 2017 Bonds are subject to optional redemption and [mandatory sinking fund redemption] in the manner set forth in the Resolution.

Notice of redemption of the Series 2017 Bonds shall be mailed, postage prepaid, by the Registrar not less than thirty (30) days before the date fixed for redemption to the registered owners of any Series 2017 Bonds or portions of the Series 2017 Bonds which are to be redeemed, at their addresses as they appear fifteen (15) days prior to the date such notice is mailed on the registration books of the County kept by the Registrar. Failure of the registered owners of any Series 2017 Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of the Series 2017 Bonds for which proper notice has been given. Interest shall cease to accrue on any of the Series 2017 Bonds called for prior redemption if payment of the redemption price has been duly made or provided for.

We have also examined Bond No. R-1 of the Series 2017 Bonds as executed.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance of the Series 2017 Bonds pursuant to the Constitution and Statutes of the State of Florida, particularly, Chapter 125, Florida Statutes, as amended and supplemented; Part VII of Chapter 159, Florida Statutes, as amended and supplemented; Chapter 63-1598, Laws of Florida, Act of 1963, as amended and supplemented; Chapter 197, Florida Statutes, as amended and supplemented; Chapter 403, Florida Statutes, as amended and supplemented; the Resolution; Ordinance No. 85-11, enacted by the Board on April 23, 1985, and Ordinances No. 91-25, No. 91-26, and No. 91-27, each enacted by the Board on January 15, 1991, as such ordinances may be amended and supplemented from time to time, and other applicable provisions of law; and that said Series 2017 Bonds are legal, valid, binding and enforceable

obligations of the County payable from a first lien on, and pledge of, the Net Revenues, all in the manner as provided in Part II of the Original Resolution, as supplemented and the interest on the Series 2017 Bonds is also payable from the escrow fund established under that certain Escrow Deposit Agreement dated as of December 1, 2017 (the “Escrow Agreement”) with the escrow agent named therein until and including the applicable Cross-Over Date (as defined in the Escrow Agreement).

We are further of the opinion that the County, in Part II of the Original Resolution, has validly covenanted and is legally obligated, as long as any of the Outstanding Bonds and the Series 2017 Bonds (hereinafter, collectively, referred to as the “Bonds”) are outstanding and unpaid, to fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and Facilities of the System, and to revise the same from time to time whenever necessary, as will always provide in each Fiscal Year, Net Revenues, which for this purpose shall include any Federal Direct Payments received by the County and deposited into the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time, which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement for the Bonds and any pari passu additional Bonds hereafter issued; and that such Net Revenue shall be sufficient to make all of the payments required by the terms of Part II of the Original Resolution, and that such rates, fees, rentals or other charges shall not be so reduced as to be insufficient for such purposes.

We are further of the opinion that the Series 2017 Bonds are on a parity and rank equally as to security and payment with the Outstanding Bonds, other than with respect to each Debt Service Reserve Account established for each Series of Bonds, as provided in the Resolution, and that under the terms, restrictions and conditions contained in Part II of the Original Resolution, the County may hereafter issue pari passu additional bonds which will rank equally with the Bonds with respect to their lien on the Net Revenues of the System and their sources and security for payment therefrom; that except for such pari passu additional bonds, any other obligations hereafter issued by the County payable from the Net Revenues of the System will be junior, inferior and subordinate in all respects to the Bonds as to their lien on and source and security for payment from the Net Revenues.

The County has entered into certain other covenants with the owners of the Series 2017 Bonds for the exact terms of which reference is made to the Resolution.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2017 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2017 Bonds. The County has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming compliance with the aforementioned covenants contained in the Resolution, interest on the Series 2017 Bonds is excluded from

gross income for federal income tax purposes. The Series 2017 Bonds are not “specified private activity bonds” within the meaning of Section 57(a)(5) of the Code and, therefore, the interest on the Series 2017 Bonds will not be treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed by Section 55 of the Code, and such interest on the Series 2017 Bonds is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations.

We are also of the opinion that the Series 2017 Bonds and the interest thereon are exempt from taxation under existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, banks and savings associations.

Except as stated in the preceding three paragraphs, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2017 Bonds.

We wish to call to your attention that Series 2017 Bonds do not constitute an indebtedness of the County within the meaning of any constitutional, statutory, charter or other limitation of indebtedness, but shall be payable solely from the Net Revenues and, with respect to interest on the Series 2017 Bonds, from the moneys and securities on deposit under the Escrow Agreement to and including the applicable Cross-Over Date, all as provided in the Resolution. No Holder or Holders of any Series 2017 Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the County, or taxation in any form of any real property therein to pay the Series 2017 Bonds or the interest thereon.

The opinions expressed herein regarding enforceability may be subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors’ rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

Respectfully yours,

GREENBERG TRAURIG, P.A.

MANATEE COUNTY, FLORIDA

and

U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent

ESCROW DEPOSIT AGREEMENT

DATED AS OF DECEMBER 1, 2017

THIS ESCROW DEPOSIT AGREEMENT (herein, the “Agreement”), made and entered into as of December 1, 2017, by and between the MANATEE COUNTY, FLORIDA, a political subdivision of the State of Florida, and its successors and assigns (the “County”), and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States with a designated principal corporate trust office in New York, New York, as escrow agent hereunder, and its successors and assigns (the “Escrow Agent”):

WITNESSETH:

WHEREAS, any term not defined in the following recitals shall have the meaning ascribed to such term in Article I hereof; and.

WHEREAS, the Board of County Commissioners (the “Board”) of the County, did on the 15th day of January, 1991, adopt a resolution entitled “A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AUTHORIZING THE CREATION OF A MANATEE COUNTY PUBLIC UTILITIES SYSTEM CONSISTING OF THE COUNTY’S EXISTING WATER AND SEWER SYSTEM AND ALL FACILITIES PRESENTLY OWNED BY MANATEE COUNTY, FLORIDA, RELATING TO THE COLLECTION, CONTROL AND DISPOSAL OF SOLID WASTE AND STORMWATER RUNOFF; PROVIDING FOR THE ADDITION OF OTHER COUNTY UTILITY OPERATIONS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM IN THE FUTURE; AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING OR REFINANCING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; AUTHORIZING THE FIRST, SECOND AND THIRD SERIES OF MANATEE COUNTY PUBLIC UTILITIES REVENUE REFUNDING AND IMPROVEMENT BONDS IN THE INITIAL AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$200,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING MANATEE COUNTY, FLORIDA, WATER AND SEWER REVENUE BONDS AND MAKING CERTAIN IMMEDIATE ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR THE TERMS AND PAYMENT FOR ALL MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF SAID MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING THAT THE FIRST AND SECOND SERIES OF PUBLIC UTILITIES REVENUE BONDS SHALL BE SECURED ONLY BY A PLEDGE OF THE NET REVENUES AND FACILITY INVESTMENT FEES OF THE COUNTY’S WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE” (the “1991 Resolution”); and

WHEREAS, the 1991 Resolution was amended and supplemented by Resolution No. R-91-77, Resolution No. R-91-99, Resolution No. R-91-132, Resolution No. R-91-140, Resolution No. R-92-116, Resolution No. R-92-152, Resolution No. R-93-230, Resolution No. R-93-256,

Resolution No. R-01-150, Resolution No. R-03-164, Resolution No. R-03-165, Resolution No. R-10-233, Resolution No. R-10-238, Resolution No. R-11-25 and Resolution No. 15-001, duly adopted by the Board on April 9, 1991, May 2, 1992, June 4, 1991, June 13, 1991, June 2, 1992, June 30, 1992, August 31, 1993, September 23, 1993, July 3, 2001, September 9, 2003, September 9, 2003, November 9, 2010, November 16, 2010, October 25, 2011 and March 24, 2015, respectively; and

WHEREAS, the 1991 Resolution, as amended and supplemented by Resolution No. R-91-77, Resolution No. R-91-99, Resolution No. R-91-132, Resolution No. R-91-140, Resolution No. R-92-116, Resolution No. R-92-152, Resolution No. R-93-230, Resolution No. R-01-150, Resolution No. R-03-164, Resolution No. R-03-165, Resolution No. R-10-233, Resolution No. R-10-238, Resolution No. R-11-255 and Resolution No. R-15-001, is herein, collectively, referred to as the “Original Resolution,” to the extent such resolutions are still applicable because the underlying Bonds are still Outstanding, and Resolution No. R-10-233 and Resolution No. R-10-238 are herein separately called the “2010 Resolution”; and

WHEREAS, the Original Resolution was supplemented by the Board on December 12, 2017 by the adoption of Supplemental Public Utilities System Revenue Refunding Bond Resolution No. R-17-147 (the “Supplemental Resolution”), for the purpose of authorizing a fourteenth Series of Bonds under the Original Resolution entitled Public Utilities Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), in the aggregate initial principal amount of not exceeding \$75,000,000; and

WHEREAS, the Board has determined it to be in the best interest of the County to issue its Series 2017 Bonds in an initial aggregate principal amount of \$_____ for the purpose, among other things, of advance refunding, on a cross-over basis, the Refunded Bonds (as defined below) pursuant to the terms of the Original Resolution, the Supplemental Resolution, and this Agreement; and

WHEREAS, the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A (the “Series 2010A Bonds”) and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the “Series 2010B Bonds” and, together with the Series 2010A Bonds, excluding the Series 2010A Bonds maturing on October 1, 2020, the “Refunded Bonds”), are subject to redemption at the option of the County in whole or in part, and if in part, on October 1, 2020, from funds legally available for such purpose including the proceeds of refunding bonds; and

WHEREAS, under certain circumstances, as described in the 2010 Resolution and this Agreement, the Series 2010A Bonds and Series 2010B Bonds may be subject to extraordinary optional redemption at the election of the County prior to October 1, 2020 (such October 1, 2020 or earlier redemption date is herein referred to as the “Cross-Over Date”) upon the occurrence of an Extraordinary Event (as defined herein); and

WHEREAS, the Original Resolution provides that, among other things, all Refunded Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning of such resolution if there is deposited moneys or Defeasance Obligations (as such

term is defined in the Original Resolution) which such term includes direct obligations, the payment of principal and interest on which is fully and unconditionally guaranteed by the United States of America (the "U.S. Obligations"), the principal of and the interest on which when due will provide moneys which, together with any other moneys deposited with the Escrow Agent, shall be sufficient to pay the principal of the Refunded Bonds on the October 1, 2020 Cross-Over Date; and

WHEREAS, the Board has determined it to be in the best economic interest of the County to pay the interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and to pay and redeem the principal amount of the Refunded Bonds on the applicable Cross-Over Date, as more particularly described on Schedule A attached hereto, all in accordance with the terms and provisions of the Original Resolution, the 2010 Resolution, the Supplemental Resolution, and this Agreement; and

WHEREAS, the County has determined to provide for the payment of interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and the payment of the Refunded Bonds on such Cross-Over Date or by depositing a portion of the proceeds from the Series 2017 Bonds which shall be used in part to purchase U.S. Obligations, which U.S. Obligations and money shall be sufficient, as verified by Causey, Demgen & Moore, P.C. in its report dated December 28, 2017, to pay the interest on the Series 2017 Bonds to the applicable Cross-Over Date, as the same becomes due and payable from the date of this Agreement, and to pay the outstanding principal amounts of the Refunded Bonds on such Cross-Over Date at par, pursuant to the Original Resolution, the 2010 Resolution and this Agreement; and

WHEREAS, the Escrow Agent shall not pay from the Trust Fund the Series 2010A Bonds maturing on October 1, 2020, any make-whole premium on any of the Refunded Bonds or any accrued interest thereon; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in the trust created herein, the maturing principal amount of the U.S. Obligations purchased thereby, and investment income and earnings derived therefrom to the payment of interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and pay the principal on the Refunded Bonds on such Cross-Over Date, it is necessary for the County to enter into this Escrow Deposit Agreement with the Escrow Agent on behalf of the holders from time to time of the Series 2017 Bonds and the Refunded Bonds.

NOW, THEREFORE, the County, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and the payment of the principal of the Refunded Bonds on such Cross-Over Date according to their tenor and effect, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alienate, pledge, set over and confirm, unto the Escrow Agent, and to its successors in the trusts hereby created, and to it and its assigns forever, all and singular the property hereinafter described to wit:

DIVISION I

All right, title and interest of the County in and to \$_____ derived from the proceeds of the sale of the Series 2017 Bonds.

DIVISION II

All right, title and interest of the County in and to all income, earnings and increment derived from or accruing to the U.S. Obligations purchased from the money (except for certain uninvested cash balances) described in Division I hereof and more particularly described in Schedule B attached hereto and made a part hereof.

DIVISION III

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the County or by anyone in its behalf to the Escrow Agent, which is hereby authorized to receive the same at any time as additional security hereunder.

DIVISION IV

All property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subject to the pledge hereof, by the County or by anyone in its behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the Trust Estate (as such term is hereinafter defined), including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement, unto the Escrow Agent, and its successors and assigns, forever in trust, however, for the benefit and security of the holders from time to time of the Series 2017 Bonds (solely with respect to interest on such Series 2017 Bonds) and for the benefit and security of the holders of the Refunded Bonds on the applicable Cross-Over Date (solely with respect to principal of such Refunded Bonds); but if the Refunded Bonds shall be fully and promptly paid when due in accordance with the terms thereof and hereof and all other obligations are performed hereunder, then this Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS; FINDINGS AND DETERMINATIONS BY THE COUNTY

SECTION 1.01. Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended.

“Act” shall have the meaning ascribed to such term in the Original Resolution for application in Part II thereof.

“Agreement” shall mean this Escrow Deposit Agreement, dated as of December 1, 2017, between the County and the Escrow Agent.

“Annual Debt Service” shall mean, as to the Series 2017 Bonds, interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and on such Cross-Over Date, the payment of all principal on the Refunded Bonds, as shown on Schedule C attached hereto and hereby made a part hereof.

“Extraordinary Event” shall mean if a material adverse change has occurred to Sections 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to Build America Bonds) or other applicable provisions of the Code pursuant to which the County’s 35% Federal Direct Payments with respect to the Series 2010 A Bonds and the County’s 45% Federal Direct Payments with respect to the Series 2010 B Bonds, as applicable, from the United States Treasury are materially reduced or eliminated.

“Paying Agent for the Refunded Bonds and Series 2017 Bonds” shall mean the entity identified as such in Section 3.08 hereof.

“Total Debt Service” shall mean, as of any date during the period from the date of this Agreement until the applicable Cross-Over Date, the sum of the Annual Debt Service then remaining unpaid with respect to the Series 2017 Bonds and the principal of the Refunded Bonds, all as shown on Schedule C attached hereto and hereby made a part hereof. No interest on the Series 2017 Bonds shall be paid from the Trust Fund beyond the applicable Cross-Over Date. No make-whole premium, if any, or accrued interest on the Refunded Bonds shall be paid from the Trust Fund on the applicable Cross-Over Date.

“Trust Estate,” “trust estate” or “pledged property” shall mean ‘the property, rights and interest of the County which are subject to the lien of this Agreement. Prior to the applicable Cross-Over Date the holders of the Refunded Bonds shall not have any claim on the Trust Estate.

“U.S. Obligations” shall mean non-callable, non-prepayable, direct obligations of, or non-callable, non-prepayable obligations the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America, constituting part of the Trust Estate. The initial U.S. Obligations are described in Schedule B attached hereto. U.S. Obligations shall not include investments in mutual funds or unit investment trusts.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II ESTABLISHMENT OF TRUST FUND; FLOW OF FUNDS

SECTION 2.01. Creation of Escrow Deposit Trust Fund. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the Escrow

Deposit Trust Fund (the “Trust Fund”), to be held in the custody of the Escrow Agent and accounted for separate and apart from other funds of the County or of the Escrow Agent.

SECTION 2.02. Deposit of Moneys and Payment of Refunded Bonds. Concurrently with the execution of this Agreement, the County herewith deposits or causes to be deposited with the Escrow Agent into the Trust Fund, and the Escrow Agent acknowledges receipt of \$ _____ derived from a portion the proceeds of the Series 2017 Bonds [and \$ _____ constituting the Transferred Moneys], to be used in part to purchase the U.S. Obligations, as described on Schedule B in the maturing principal amounts of \$ _____, and the balance of such deposit in the amount of \$ _____ shall be held as immediately available moneys. The purchase of the U.S. Obligations and cash being derived from a portion of the proceeds of the Series 2017 Bonds deposited into the Trust Fund will, according to the opinion of Causey, Demgen & Moore, P.C., set forth in its report dated December 28, 2017, provide moneys sufficient to pay the Total Debt Service. Money representing beginning cash balances and any other moneys not directed to be invested hereunder shall remain uninvested until applied in accordance with the terms hereof.

SECTION 2.03. Irrevocable Trust Created. The deposit of the cash and U.S. Obligations in the Trust Fund shall constitute an irrevocable deposit of said cash and U.S. Obligations for the benefit of the holders of the Series 2017 Bonds to and including the applicable Cross-Over Date and for the benefit of the Refunded Bonds on such same Cross-Over Date, except as provided herein with respect to substitutions permitted under Section 2.05 hereof and amendments permitted under Section 4.01 hereof. The holders of the Series 2017 Bonds shall have a lien on the principal of and earnings on the U.S. Obligations and the cash deposited in the Trust Fund until applied in accordance with this Agreement and the applicable terms and provisions of the Original Resolution and Supplemental Resolution. After the holders of the Series 2017 Bonds have been paid or there is sufficient moneys in the Trust Fund to pay all accrued interest to and including the applicable Cross-Over Date, the holders of the Refunded Bonds shall have a lien on the balance of the Trust Estate in accordance with this Agreement, the 2010 Resolution and the Supplemental Resolution solely with respect to the redemption price.

SECTION 2.04. Purchase of U.S. Obligations. The County hereby directs the Escrow Agent to immediately purchase and the Escrow Agent hereby acknowledges the purchase of the U.S. Obligations listed on Schedule B from the moneys transferred to the Escrow Agent from the County in the manner described in Section 2.02 hereof. The Escrow Agent shall apply the moneys deposited in the Trust Fund and the aforementioned U.S. Obligations, together with all income or earnings thereon, if any, in accordance with the provisions hereof and the Original Resolution. The Escrow Agent shall have no power or duty to invest or reinvest any moneys held hereunder or to make substitutions of the U.S. Obligations held hereunder or to sell, transfer or otherwise dispose of the U.S. Obligations acquired hereunder except as provided in this Agreement.

SECTION 2.05. Failure to Deliver Initial U.S. Obligations. In the event that there is a failure, for any reason, to deliver any of the U.S. Obligations, as set forth in Schedule B (the “Initial U.S. Obligations”) hereto, at the time of delivery of the Series 2017 Bonds, the Escrow Agent is hereby authorized to accept other U.S. Obligations (the “Substitute Securities”) and/or cash in substitution for the Initial U.S. Obligations. Such substitution is subject to receipt by the County and the Escrow Agent of an independent verification by a nationally recognized certified public

accounting firm acceptable to Greenberg Traurig, P.A. that the Substitute Securities and/or cash, together with any other U.S. Obligations and cash on deposit with the Escrow Agent, will be sufficient, without reinvestment, to meet the requirements for payment of the interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and principal of the Refunded Bonds on such Cross-Over Date in accordance with the terms of this Agreement. At any time prior to maturity of the Substitute Securities and/or cash, the County shall have the ability in writing to direct the Escrow Agent to exchange any of the Substitute Securities and/or cash delivered for all or any part of the Initial U.S. Obligations. However, such exchange will be subject to the receipt by the County and the Escrow Agent of an independent verification by a nationally recognized independent certified public accounting firm acceptable to Greenberg Traurig, P.A. to the effect that the substitution of the Substitute Securities and/or cash for the Initial U.S. Obligations will be sufficient, without reinvestment, to meet the requirements for payments of interest on the Series 2017 Bonds to and including the Cross-Over Date and principal of the Refunded Bonds in accordance with the terms of this Agreement and the applicable provisions of the Original Resolution, including the 2010 Resolution and Supplemental Resolution. Further, such independent verification report must indicate that the return of any monies (generated by such Substitute Securities), in excess of the monies that would have been received on the Initial U.S. Obligations, to the County are not needed to pay the interest on the Series 2017 Bonds to and including the Cross-Over Date and principal of the Refunded Bonds when due in accordance with this Agreement and the applicable provisions of the Original Resolution, the 2010 Resolution and Supplemental Resolution. In addition, such return of the Substitute Securities and/or cash and any excess monies will not, as evidenced by an opinion from Greenberg Traurig, P.A. to the effect that, under the statutes, rules and regulations then in force and applicable to obligations issued on the dates of issuance of the Series 2017 Bonds and the Refunded Bonds and under the Internal Revenue Code of 1986, as amended (the "Code"), cause the interest on the Series 2017 Bonds not to be excluded from gross income for federal income tax purposes and such investment is not inconsistent with the statutes and regulations applicable to the Series 2017 Bonds. Such opinion shall also state that such substitution will not cause the Series 2010A Bonds to fail to qualify as Build America Bonds and the Series 2010B Bonds to qualify as Recovery Zone Economic Development Bonds.

SECTION 2.06. Transfers from Trust Fund. As the principal of the U.S. Obligations listed in Schedule B matures and is paid, and the investment income and earnings thereon, if any, are paid, the Escrow Agent shall, no later than each interest payment date for the Series 2017 Bonds transfer from the Trust Fund, in accordance with the schedule of payments described in Schedule C attached hereto, to the Paying Agent for the Series 2017 Bonds an amount sufficient to pay the interest on the Series 2017 Bonds coming due on such interest payment date. On the applicable Cross-Over Date the Escrow Agent shall transfer the balance in the Trust Fund after paying all accrued interest on the Series 2017 Bonds to and including the applicable Cross-Over Date, to the Paying Agent for the Refunded Bonds to pay the outstanding principal of the Refunded Bonds. The Escrow Agent has relied on the opinion of Causey, Demgen & Moore, P.C., set forth in its report dated December 28, 2017, that the amount of money and securities on deposit herein and as reinvested in accordance with the terms hereof will be sufficient to pay Total Debt Service, and the Escrow Agent shall have no responsibility for an insufficiency of such amounts to pay Total Debt Service, provided the Escrow Agent performs in accordance with the provisions hereof.

Upon receipt of written notice from the County that an Extraordinary Event has occurred and that the County has determined to redeem the Refunded Bonds prior to October 1, 2020 as a result of the occurrence of the Extraordinary Event, the Escrow Agent shall timely redeem the Government Obligations held to the credit of the Escrow Deposit Trust Fund and apply the amounts received from such redemption and other cash in the Escrow Deposit Trust Fund to pay the accrued interest due and owing on the Series 2017 Bonds to the interest payment date which constitutes the earlier Cross-Over Date and then to redeem the Refunded Bonds on such date prior to October 1, 2020 as specified by the County in the written notice provided to the Escrow Agent. Upon receipt of notification that the County has determined to redeem the Refunded Bonds prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the Escrow Agent shall not pay any interest on the Series 2017 Bonds accruing after the date of redemption of the Refunded Bonds from amounts in the Trust Fund. The redemption price of the Refunded Bonds shall be calculated by the County pursuant to the make-whole provisions of the 2010 Resolution. If the redemption price as so calculated does not create greater savings to the County than if the Refunded Bonds were paid and redeemed on the October 1, 2020 Cross-Over Date, notwithstanding the occurrence of the Extraordinary Event, no extraordinary optional redemption shall occur. The County shall pay from Net Revenues (as defined in the Original Resolution) and from moneys on deposit in the reserve accounts established for Refunded Bonds, the Series 2010A Bonds maturing on October 1, 2020 (collectively with the Refunded Bonds, the "Prepaid Bonds") the accrued interest on the Prepaid Bonds and make-whole premium on the earlier Cross-Over Date upon the occurrence of an Extraordinary Event and a determination by the County to redeem the Prepaid Bonds and the Escrow Agent shall accept from the County such money for deposit into the Trust Fund, any additional moneys that may be required.

SECTION 2.07. Investment of Moneys remaining in Trust Fund. Subject to the requirements of this Section 2.07, the Escrow Agent shall, as directed in writing by the County, invest and reinvest any moneys remaining from time to time in the Trust Fund, until such time as they are needed. Such moneys shall be reinvested in direct obligations of, or obligations fully guaranteed by, the United States of America for such periods or at such interest rates or yields that the Escrow Agent shall be directed in writing to invest by the County, which securities or periods or interest rates or yields shall be set forth in an opinion to the County from Greenberg Traurig, P.A., which opinion shall also be to the effect that such reinvestment of such moneys will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the dates of issuance of the Series 2017 Bonds and under the Code, cause the interest on the Series 2017 Bonds not to be excluded from gross income for federal income tax purposes and that such investment is not inconsistent with the statutes and regulations applicable to the Series 2017 Bonds. Such reinvestment of moneys is subject to receipt by the County of an independent verification by a nationally recognized independent certified public accounting firm acceptable to Greenberg Traurig, P.A. Any interest income resulting from reinvestment of moneys, pursuant to this Section 2.07 shall be promptly transferred to the County and used for any purpose permitted under the Original Resolution and the Code, if such verification report indicates that such interest income is not needed for the purposes contemplated by this Agreement, provided that the Escrow Agent shall have no responsibility for the proper use by the County of money transferred to the County by the Escrow Agent.

SECTION 2.08. Trust Fund. The Trust Fund created and established pursuant to this Agreement shall be and constitute a trust fund for the purposes provided in this Agreement and

shall be kept separate and distinct from all other funds of the County and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

SECTION 2.09. Transfer of Funds after all Payments Required by this Agreement are Made. After all of the transfers by the Escrow Agent to the Paying Agent for the Series 2017 Bonds and the Refunded Bonds for the payment of the Total Debt Service relating to the Series 2017 Bonds and the Refunded Bonds have been made, all remaining moneys and U.S. Obligations, together with any income and interest thereon, in the Trust Fund shall be transferred to the County by the Escrow Agent; provided, however, that no such transfer (except transfers made in accordance with Sections 2.07 and 4.01 hereof) to the County shall be made until the applicable Total Debt Service on the Series 2017 Bonds and Refunded Bonds has been paid.

ARTICLE III CONCERNING THE ESCROW AGENT

SECTION 3.01. Appointment of Escrow Agent. The County hereby appoints U.S. Bank National Association, having a designated corporate trust office in [New York, New York,] as Escrow Agent under this Agreement.

SECTION 3.02. Acceptance by Escrow Agent. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary, to execute the trust hereby created.

SECTION 3.03. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investments in the Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

As long as the Escrow Agent applies (by transfer to the Paying Agent for the Series 2017 Bonds and the Refunded Bonds) any moneys, the U.S. Obligations and the interest earnings, if any, therefrom to pay the interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and the principal of the Refunded Bonds, as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the interest on the Series 2017 Bonds to and including the Cross-Over Date and the principal of Refunded Bonds. Further, the Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the U.S. Obligations, and the earnings, if any, thereon, to pay the interest on the Series 2017 Bonds to and including the Cross-Over Date and the principal of Refunded Bonds in accordance with the terms of this Agreement.

In the event of the Escrow Agent's failure to account for any of the U.S. Obligations or moneys received by it, said U.S. Obligations or moneys shall be and remain the property of the County in trust for the holders of the Series 2017 Bonds until the applicable Cross-Over Date and

the holders of the Refunded Bonds after the payment of all accrued interest on Series 2017 Bonds to and including such Cross-Over Date, as herein provided, and if for any improper reason such U.S. Obligations or moneys are not applied as herein provided, the Escrow Agent shall be liable for the amount thereof until the required application shall be made.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the County. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement. The Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the County or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the County of its intention.

The Escrow Agent and its successors, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, by reason of the execution and delivery of this Agreement, the establishment of the Trust Fund, the acceptance and disposition of the various moneys and funds described herein, the purchase, retention or disposition of the U.S. Obligations or the proceeds thereof, any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement, or any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be liable to the County and to holders of the Refunded Bonds to the extent of their respective damages for negligent or willful acts, omissions or errors of the Escrow Agent which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement.

SECTION 3.04. Permitted Acts. The Escrow Agent and its affiliates may become the owner of or may deal in the Refunded Bonds as fully and with the same rights as if it were not the Escrow Agent.

SECTION 3.05. Successor Escrow Agent. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the trusts hereby created by giving not less than sixty (60) days' written notice to the County, the Paying Agent for the Series 2017 Bonds and the Refunded Bonds and any rating agency which is then rating the Series 2017 Bonds and the Refunded Bonds, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Series 2017 Bonds or by the County as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, and to the County, and signed by the holders of a majority in principal amount of the Series 2017 Bonds then outstanding.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in principal amount of the Series 2017 Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the County shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in principal amount of the Series 2017 Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the County shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The County shall promptly notify the Escrow Agent of any change in the identity of the Paying Agent for the Series 2017 Bonds and the Refunded Bonds.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the County pursuant to the foregoing provisions of this Section within sixty (60) days after written notice of resignation of the Escrow Agent has been given to the County, the holder of any of the Series 2017 Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent and such court may thereupon, after such notice, if any, as it shall deem proper, appoint such successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than \$50,000,000 or is a member of a bank group or bank holding company with aggregate capital and surplus of not less than \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor, and to the County, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the County, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the County be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the County.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted, or to which substantially all of its corporate assets have been sold or assigned, or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party, shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 3.06. Receipt of Proceedings. Receipt of true and correct copies of the proceedings authorizing the issuance of the Refunded Bonds and the Series 2017 Bonds, including the Original Resolution and the Supplemental Resolution, are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

SECTION 3.07. County Indemnity. To the extent provided by law and without waiving its sovereign immunity, the County agrees to indemnify and save the Escrow Agent, its agents and employees, harmless, to the extent allowed by law, against any liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements of whatsoever kind or nature which it may incur in the exercise and performance of its powers and duties hereunder, including legal expenses, and which are not due to its own negligence or willful misconduct. Indemnification provided under this section shall survive the termination of this Agreement.

SECTION 3.08. Payment to Escrow Agent and Paying Agent. The County hereby agrees to provide for the payment, from its own legally available funds, the costs, charges, services and expenses of the Escrow Agent incurred in connection with its duties under this Agreement. The Escrow Agent hereby acknowledges that it has agreed to accept, and the County agrees to pay, on the date of execution of this Agreement, the compensation under this Agreement, as shown on the attached Exhibit "C," plus reasonable expenses. The County hereby agrees to pay the fees and expenses of the Paying Agent referred to below and any publication costs borne by such Paying Agent for the Refunded Bonds or by the Escrow Agent from the County's own legally available moneys.

The current paying agent for the Series 2017 Bonds and the Refunded Bonds is U.S. Bank National Association, having a representative office in New York, New York.

SECTION 3.09. Notices of Redemption. The County hereby irrevocably instructs the Escrow Agent to file a copy of the notice of redemption with the Paying Agent for the Refunded Bonds not less than thirty-two (32) days prior to the applicable Cross-Over Date, with instructions to such Paying Agent to mail such notice of optional redemption to the registered owners of such Refunded Bonds not less than thirty (30) days prior to such Cross-Over Date or such earlier date on which the Refunded Bonds are to be refunded due to the occurrence of an Extraordinary Event, as applicable, all in accordance with the provisions of the 2010 Resolution. Such notice of redemption, with respect to the Refunded Bonds shall be in substantially the form attached hereto as Exhibit "A" if the Refunded Bonds are optionally redeemed on October 1, 2020. If the redemption of the Refunded Bonds is to occur on a date earlier than October 1, 2020, due to the

occurrence of an Extraordinary Event, the notice of redemption shall be in substantially the form attached hereto as Exhibit "B." The cost of mailing shall be borne by the County.

ARTICLE IV MISCELLANEOUS

SECTION 4.01. Amendments to this Agreement. This Agreement is made for the benefit of the County and the holders from time to time of the Series 2017 Bonds to and including the applicable Cross-Over Date and after payment of all accrued interest on the Series 2017 Bonds, the principal of the Refunded Bonds on the applicable Cross-Over Date and it shall not be repealed, revoked, altered or amended in whole or in part without the written consent of all affected holders, the Escrow Agent and the County if such amendment adversely affects its rights; provided, however, that the County and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent, for the benefit of the holders of the Series 2017 Bonds to and including the applicable Cross-Over Date and after all accrued interest on the Series 2017 Bonds has been paid to such Cross-Over Date, the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Series 2017 Bonds and the Refunded Bonds in the manner described herein or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement other than Sections 2.05 and 2.07 hereof at the written request of the County and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the U.S. Obligations held hereunder and to substitute therefor direct obligations of, or obligations fully guaranteed by the United States of America, subject to the conditions that such moneys or securities held by the Escrow Agent shall be verified to be sufficient, without reinvestment, to pay interest on the Series 2017 Bonds and the Refunded Bonds, as the same shall become due, until the Total Debt Service on the Series 2017 Bonds and the Refunded Bonds has been paid in accordance with Schedule C attached hereto. The County hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentence (i) in any manner which will cause the Series 2017 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the regulations thereunder in effect on the date of such request and applicable to

obligations issued on the issue date of the Series 2017 Bonds, and would not cause the Series 2010A Bonds to fail to qualify as Build America Bonds and the 2010B Bonds to qualify as Recovery Zone Economic Development Bonds; and (ii) without payment of reasonable expenses of the Escrow Agent in connection therewith. The Escrow Agent shall, as directed in writing by the County, purchase such substituted securities with the proceeds derived from the maturing, sale, transfer, disposition or redemption of the U.S. Obligations held hereunder or from other moneys available. The transactions may be effected only if there shall have been obtained: (1) an independent verification by a nationally recognized independent certified public accounting firm retained by the County concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other moneys or securities held for such purpose to pay Annual Debt Service until the Total Debt Service has been paid in accordance with Schedule C attached hereto; and (2) an opinion from Greenberg Traurig, P.A., or from any other nationally recognized attorneys on the subject of municipal bonds, to the County and the Escrow Agent to the effect that the disposition and substitution or purchase of such securities will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Series 2017 Bonds, cause the interest on such Series 2017 Bonds not to be excluded from gross income for federal income tax purposes and that such disposition and substitution or purchase is not inconsistent with the statutes and regulations applicable to the Series 2017 Bonds and will not cause the Series 2010A Bonds to fail to qualify as Build America Bonds and the 2010B Bonds to qualify as Recovery Zone Economic Development Bonds. Any surplus moneys, identified as such in the then applicable verification report, resulting from the sale, transfer, other disposition or redemption of the U.S. Obligations held hereunder and the substitutions therefor of direct obligations of, or obligations the principal of and interest on which is fully guaranteed by, the United States of America, shall be released from the Trust Estate and shall be transferred to the County. The County shall provide written notice of any such amendment to the rating agencies then rating the Series 2017 Bonds prior to the effective date thereof.

The County shall give prior written notice to Moody's Investors Service, Inc. (herein, "Moody's"), together with draft copies, of any proposed amendment, alteration, revocation, severance or repeal of this Agreement pursuant to this Section. Such notice shall be given in writing to: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attention: Public Finance Ratings Desk - Refunded Bonds.

SECTION 4.02. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the County or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. The Escrow Agent shall notify Moody's as soon as practicable if any portion of this Agreement becomes severable.

SECTION 4.03. Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the County or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 4.04. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 4.05. Governing Law. This Agreement shall be governed by the applicable laws of the State of Florida.

SECTION 4.06. Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 4.07. Notices. Until otherwise directed in writing by any person named below, all notices, reports, or other communications required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed as follows:

- (a) As to the County: Clerk of the Circuit Court
Manatee County, Florida
1115 Manatee Avenue West
Bradenton, Florida 34205
(941) 741-4001
(941) 741-4082 (FAX)
- (b) As to the Escrow Agent: U.S. Bank National Association
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Corporate Trust Services
(212) 361-6173
(212) 361-6153 (FAX)
- (c) As to the Paying Agent
for the Series 2017 Bonds
and Refunded Bonds : U.S. Bank National Association
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Corporate Trust Services
(212) 361-6173
(212) 361-6153 (FAX)

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officers and its corporate seal to be hereunto affixed and attested as of the date of execution set forth below.

(SEAL)

MANATEE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
Chair of the Board of County
Commissioners of Manatee County,
Florida

Angeline Colonnese, Clerk of the Circuit
Court and Comptroller

By: _____
Deputy Clerk

SCHEDULE A
SERIES 2017 BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
10/01/20		
10/01/21		
10/01/22		
10/01/23		
10/01/24		
10/01/25		
10/01/26		
10/01/27		
10/01/28		
10/01/29		
10/01/30		
10/01/31		
10/01/32		
10/01/33		
10/01/34		
10/01/35		

REFUNDED BONDS*

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
10/01/21	\$ 2,995,000	6.151%
10/01/22	3,115,000	6.351%
10/01/23	3,240,000	6.551%
10/01/24	3,380,000	6.701%
10/01/25	3,215,000	6.801%
10/01/30	21,105,000	7.178%
10/01/35	24,195,000	7.378%

* Assuming that the Refunded Bonds are redeemed on October 1, 2020. If the Refunded Bonds are redeemed prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the redemption price will consist of the principal amount of the Refunded Bonds plus a make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238.

SCHEDULE B

U.S. OBLIGATIONS

Purchased from Proceeds of the Series 2017 Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Type</u>	<u>Purchase Price</u>
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[SLGs¹]

¹ [U.S. Treasury Securities – State and Local Government Series]

SCHEDULE C

**Annual Debt Service and Total Debt Service for the Series 2017 Bonds and
the Refunded Bonds payable as indicated below***

<u>Year</u>	<u>Called Principal</u> (only Refunded Bonds)	<u>Interest</u> (only Series 2017 Bonds)	<u>Total</u>
04/01/18			
10/01/18			
04/01/19			
10/01/19			
04/01/20			
10/01/20	60,345,000		

*Assuming that the Refunded Bonds are redeemed on October 1, 2020. If the Refunded Bonds are redeemed prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the redemption price will consist of the principal amount of the Refunded Bonds plus a make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238.

EXHIBIT “A”

NOTICE OF CALL FOR REDEMPTION

§ _____

MANATEE COUNTY, FLORIDA

Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B

NOTICE IS HEREBY GIVEN that, pursuant to Resolution No. 91-21, adopted by Manatee County, Florida (the “County”), on January 15, 1991, as amended and supplemented (collectively, the “Resolution”), the County has irrevocably deposited with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), in trust, and irrevocably set aside for such payment, cash and Defeasance Obligations (as such term is defined in the Resolution), maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to pay the principal of Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing after October 1, 2020 (the “Callable Series 2010A Bonds”) and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the “Series 2010B Bonds” and, together with the Callable Series 2010A Bonds, the “Called Bonds”) to the herein defined Redemption Date, that the Called Bonds are hereby called for optional redemption on October 1, 2020 (the “Redemption Date”), at a price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. Accrued Interest will not be paid by moneys deposited with the Escrow Agent but will rather be paid by the County.

The maturities and principal amounts per maturity and CUSIP numbers of the Called Bonds to be redeemed are as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>CUSIP No.</u>
10/01/21	\$2,995,000	561851 GE0
10/01/22	3,115,000	561851 GF7
10/10/23	3,240,000	561851 GG5
10/10/24	3,380,000	561851 GH3
10/10/25	2,315,000	561851 GC4
10/10/30	21,105,000	561851 GK6
10/10/35	24,195,000	561851 GJ9

The Called Bonds subject to optional redemption on the Redemption Date shall be presented for payment at the principal corporate trust office of U.S. Bank National Association, Attention: Corporate Trust Department (the “Paying Agent”), New York, New York. On or after the Redemption Date, no interest shall accrue on said Called Bonds.

This notice is given in conformity with the provisions of the Called Bonds and the Resolution providing for their issuance, and the owners of said Called Bonds are hereby notified and requested to present such Called Bonds for redemption and payment as provided above. The Called Bonds which have been called for redemption will be paid from funds irrevocably deposited for this purpose in an Escrow Deposit Trust Fund established with U.S. Bank National Association, as Escrow Agent for the Called Bonds.

MANATEE COUNTY, FLORIDA

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent and Bond Registrar for the
Called Bonds.

Dated _____, 2020

Withholding of 31% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983, as amended, unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your bonds for payment.

- * CUSIP numbers have been assigned by Standard & Poor's Corporation and are included solely for the convenience of the holders. Neither the County nor the Escrow Agent shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Called Bonds or as indicated in any redemption notice.

Instructions to Escrow Agent:

This notice must be filed, by the Escrow Agent, with the Paying Agent, as provided in Section 3.09 of the Escrow Deposit Agreement.

EXHIBIT “B”

NOTICE OF EXTRAORDINARY OPTIONAL REDEMPTION

§ _____

MANATEE COUNTY, FLORIDA

Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B

NOTICE IS HEREBY GIVEN that, pursuant to Resolution No. 91-21, adopted by Manatee County, Florida (the “County”), on January 15, 1991, as amended and supplemented (collectively, the “Resolution”), the County has irrevocably deposited with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), in trust, and irrevocably set aside for such payment, cash and Defeasance Obligations (as such term is defined in the Resolution), maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to pay the principal of Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing after October 1, 2010 (the “Callable Series 2010A Bonds”) and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the “Series 2010B Bonds”) and, together with the Callable Series 2010A Bonds, the “Called Bonds”) to the herein defined Redemption Date, that the Called Bonds are hereby called for extraordinary optional redemption on _____ (the “Redemption Date”), at a price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. The County will pay from Net Revenues and other available money on deposit under the Resolution the principal amount of the Series 2010A Bonds maturing on October 1, 2020, plus any make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238, plus accrued interest to the Redemption Date.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
10/01/20	\$2,880,000	5.951%
10/01/21	2,995,000	6.151%
10/01/22	3,115,000	6.351%
10/01/23	3,240,000	6.551%
10/01/24	3,380,000	6.701%
10/01/25	3,215,000	6.801%
10/01/30	21,105,000	7.178%
10/01/35	24,195,000	7.378%

Payment of the redemption price (as described above) will be made on or after said redemption date of _____, 20__, upon the presentation of said Refunded Bonds at the offices of U.S. Bank National Association, as Paying Agent for the Refunded Bonds, by hand or by overnight delivery at **[insert U.S. Bank information]**. Interest on such Refunded Bonds will cease to accrue from and after _____, 20__.

MANATEE COUNTY, FLORIDA

By: U.S. Bank National Association, as
Paying Agent and Escrow Agent

Dated: _____, 20__

*No representation is made as to the correctness of the CUSIP numbers either as printed on the Refunded Bonds or contained in this Notice.

EXHIBIT "C"

Acceptance Fee -0-

Annual Escrow Agent Administration Fee
(payable in advance) \$500.00

Reimbursement of out-of-pocket costs including postage, publication and legal fees, if necessary,
at cost.

WPB/384115098v10/016705.014900

December 6, 2017

The Honorable Chair and
Board of County Commissioners
Manatee County, Florida
1112 Manatee Avenue
Bradenton, Florida 34205

Ladies and Gentlemen:

Public Resources Advisory Group ("PRAG") is serving as Financial Advisor in connection with the County's issuance of not to exceed \$75,000,000 Public Utilities Revenue Refunding Bonds, Series 2017 ("Series 2017 Bonds"). The Series 2017 Bonds are being issued for the purposes of (i) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B, and (ii) paying costs of issuance.

As Financial Advisor, PRAG recommends that the Series 2017 Bonds be sold on a negotiated basis subject to the satisfaction of the parameters set for in Resolution No. 17-147. The parameters are as follows:

(i) the par amount of the Series 2017 Bonds is not in excess of \$75,000,000, (ii) the true interest cost rate of the Series 2017 Bonds is not more than 4.00%, (iii) no rates, fees, or charges will be increased as a result of issuing the Series 2017 Bonds, and (vi) the final maturity of the Series 2017 Bonds is not later than October 1, 2035, (v) the underwriting discount (exclusive of any original issue discount or original issue premium) is not greater than \$7.50 per thousand of the original principal amount of the Series 2017 Bonds, (vi) refunding the Refunded Bonds will produce a net present value savings of not less than 3.00%, and (vi) the completed disclosures required pursuant to Section 218.385, Florida Statutes have been delivered by the Underwriters.

We are recommending a negotiated sale based on the volume and volatility of the current municipal bond market. The tax bills currently under consideration by the House and Senate would eliminate advance refundings and certain other types of municipal bonds after December 31, 2017. As such, this transaction must close by year-end. In addition, the municipal market is experiencing extremely high levels of new issuance volume as issuers are bringing bonds to market in anticipation of future limitations on issuance. A negotiated sale will allow the County to better control timing, pre-marketing and pricing of the bonds.

We have requested ratings on the Series 2017 bonds from Moody's and Fitch and we expect ratings to be such that credit enhancement will not add value; therefore, we recommend that the Series 2017 Bonds be sold without credit enhancement.

Sincerely,

PUBLIC RESOURCES ADVISORY GROUP

A handwritten signature in blue ink that reads "Wendell G. Gaertner".

Wendell Gaertner
Senior Managing Director

12/12/17

December 12, 2017 - Regular Meeting
Agenda Item #47

Subject

Public Utilities System Cross-over Revenue Refunding Bonds Series 2017 - Debt Issuance

Briefings

None

Contact and/or Presenter Information

Jan Brewer, Director, Financial Management Department, Ext. 3726

Action Requested

Adoption of Resolution No. R-17-147 authorizing the issuance of the Public Utilities System Revenue Refunding Bonds, Series 2017, in a not to exceed principal amount of \$75,000,000 (the "Series 2017 Bonds").

Enabling/Regulating Authority

Article VII, Florida Constitution, and Chapter 125, Florida Statutes

Background Discussion

The purpose for the issuance of the Series 2017 Bonds is to advance refund, on a cross-over basis, the County's Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing after October 1, 2020 and all of the County's Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (referred to in Resolution as the "Refunded Bonds"). This refunding program places proceeds from the Series 2017 Bonds in escrow which pays the interest on the Series 2017 Bonds until the call date on the Refunded Bonds, at which time the principal of the Refunded Bonds would be paid from such escrow. Such redemption would occur on October 1, 2020 or an earlier date as determined by the County. Since the 2010A Series was issued as taxable Build America Bonds ("BABS"), and the Series 2010B was issued as taxable Recovery Zone Economic Development Bonds ("RZEDBs"), the County will continue to receive a federal subsidy on the Series 2010A and 2010B Bonds until the redemption date. The Series 2017 Bonds will be tax-exempt without any federal subsidy.

On November 28, 2017, the Board authorized Public Resources Advisory Group (the County's Financial Advisor) and supporting County staff and Bond Counsel to determine the most cost effective financing option and negotiate with banking institutions. As part of the Financial Advisor's recommendations, the debt issuance is to be completed as soon as possible to take advantage of the current market and the deadlines imposed by the proposed bills of Congress which would eliminate this type of refunding after December 31, 2017.

On December 12, 2017, the Resolution is being presented to the Board to issue the abovementioned Series 2017 Bonds with the collaboration of: the County's Financial Advisor; Stephen D. Sanford, Bond Counsel, Greenberg Traurig, P.A., and Wells Fargo Securities, Senior Managing Underwriter.

To finalize the authorization for the financing for the Series 2017 Bonds, Bond Counsel for Manatee County, Stephen D. Sanford of Greenberg Traurig, P.A., has prepared for review the Bond Resolution (No. R-17-147) and certain other documents that you are approving in substantially final form, along with approval of the underwriting documents prepared by counsel to the underwriters. Bond Resolution No. 17-147 also authorizes subsequent execution of closing bond documents and provides for certain other details related to issuance of the Series 2017 Bonds. In addition, parameters are established in such Resolution that must be adhered to in order for the County to proceed.

Copies of ratings letters from Fitch Ratings and Moody's Investors Service, reporting bond ratings of AA+ and Aa2, respectively, are expected to be provided.

The refunding of the Refunded Bonds, on a cross-over basis, is expected to generate 4.74% present value savings as a percentage of outstanding par over the life of the bonds (partial subsidy - equivalent to \$2,861,831); however, if the savings are less than 3% the County will not refund the Refunded Bonds. Prior to the applicable redemption date, the aforementioned escrow will pay the interest due and owing on the Series 2017 Bonds.

Your Financial Advisor, Clerk of Courts and Comptroller, County Administrator, and Financial Management Director have all recommended that the bonds be issued as soon as practicable to take advantage of currently favorable interest rates available in the market and the principal changes in federal tax law. A letter of recommendation from the Financial Advisor to sell bonds on a negotiated basis is attached. The final rates will be established based on market conditions and both the rates and the minimum level of savings is set forth in the Resolution.

As always, "not to exceed" figures shown on the Bond Resolution are higher than the actual amount of bonds to be issued to allow for flexibility in structuring the bonds

As is often the case with complex items such as the issuance of bonds, comments regarding these documents are often received from counsel and others after the publication of the agenda, and updated versions of the documents may be provided to the Commission prior to the December 12th meeting.

The following documents are included in this agenda item as attachments:

- Resolution R-17-147
- Exhibit A to R-17-147, Draft Purchase Contract
- Exhibit B to R-17-147, Draft Preliminary Official Statement (POS)
- Exhibit C to R-17-147, Draft Escrow Agreement
- Exhibit D to R-17-147, FA's Letter of Recommendation

Other documents contemplated in Resolution No. R-17-147 or the POS will be provided at or before closing on the sale of the Series 2017 Bonds.

County Attorney Review

Other (Requires explanation in field below)

Explanation of Other

Bond documents prepared by Bond Counsel and reviewed by William Clague, Assistant County Attorney

Reviewing Attorney
Clague

Instructions to Board Records Emailed 12/13/17
Copies to budget@mymanatee.org, sheila.ballesteros@mymanatee.org, and william.clague@mymanatee.org

One certified copy of Resolution No. R-17-147 to County Attorney for delivery to Stephen D. Sanford.

Copies of approved agenda memorandum to William Clague, County Attorney's office, and Sheila Ballesteros, Financial Management

Cost and Funds Source Account Number and Name
N/A

Amount and Frequency of Recurring Costs
N/A

Attachment: [Exhibit A to Bond Resolution - Purchase Contract .pdf](#)
Attachment: [Exhibit B to Bond Resolution- Preliminary Official Statement.pdf](#)
Attachment: [Exhibit C to Bond Resolution - Escrow Deposit Agreement.pdf](#)
Attachment: [Exhibit D to Bond Resolution - FA's Letter of Recommendation .pdf](#)
Attachment: [Bond Resolution R-17-147.pdf](#)

\$ _____
MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

December __, 2017

PURCHASE CONTRACT

Board of County Commissioners
of Manatee County, Florida
Bradenton, Florida

Ladies and Gentlemen:

Wells Fargo Bank, National Association (the "Representative"), acting on behalf of itself, Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), offers to enter into the following agreement (the "Purchase Contract") with Manatee County, Florida (the "County"), which, upon acceptance by the County of this offer, will be binding upon the County and upon the Underwriters. This offer is made subject to acceptance by the County on or before 5:00 p.m., Bradenton, Florida time, on the date hereof, and if not so accepted, will be subject to withdrawal by the Underwriters upon written notice to the County at any time prior to the acceptance hereof by the County. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Resolution or the Official Statement (each as defined herein).

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from the County for offering to the public, and the County hereby agrees to sell and deliver to the Underwriters for such purpose, all (but not less than all) of the County's \$ _____ aggregate principal amount of Public Utilities Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"). The purchase price of the Series 2017 Bonds shall be \$ _____ (which is the par amount thereof, [plus net original issue premium] of \$ _____ and less Underwriters' discount of \$ _____).

The Series 2017 Bonds shall be as described in, and shall be issued and secured under the provisions of, Resolution No. R-91-21 adopted by the Board of County

Commissioners of the County (the "Board") on January 15, 1991, as amended and supplemented (the "Original Resolution"), including, in particular, as amended and supplemented by Resolution No. R-17-147, adopted by the Board on December 12, 2017 (the "Series 2017 Resolution" and together with Original Resolution, the "Resolution"). The Series 2017 Bonds shall mature on such dates and in such amounts and shall bear interest at such rates all as set forth in EXHIBIT A attached hereto.

Pursuant to the conditions set forth in the Series 2017 Resolution, the Representative confirms that the advance refunding, on a cross-over basis, of the Refunded Bonds (as defined below) with a portion of the proceeds of the Series 2017 Bonds will result in a net present value savings of _____% (net of an estimated \$_____ of Federal Direct payments).

The disclosure statement required by Section 218.385(6), Florida Statutes, is attached hereto as EXHIBIT B.

The truth-in-bonding statement required by Section 218.385(2), Florida Statutes, is as follows:

The Series 2017 Bonds are being issued by the County for the purposes of (a) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B currently outstanding in the principal amount of \$60,345,000 (the "Refunded Bonds"), and (b) paying costs of issuance. The Series 2017 Bonds are expected to be repaid over a period of approximately _____ years. At a true interest cost of approximately _____%, total interest to be paid over the life of the Series 2017 Bonds will equal approximately \$_____.

The Series 2017 Bonds will be limited to obligations of the County secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System as provided in the Resolution. Until (and including) the Cross-Over Date (as such term is defined in the Resolution), interest on the Series 2017 Bonds will be additionally secured by amounts deposited and interest earned thereon in the an escrow fund established pursuant to an Escrow Deposit Agreement, dated as of December 1, 2017, between U.S. Bank National Association, as escrow agent (the "Escrow Agent") and the County (the "Escrow Deposit Agreement"). Issuing the Series 2017 Bonds will result in approximately \$_____ annually in Net Revenues not being available to finance other services or facilities of the System each year for approximately _____ years.

The Representative has been duly authorized to execute this Purchase Contract and has been duly authorized to act hereunder on behalf of the Underwriters.

The County acknowledges and agrees that (i) the purchase and sale of the Series 2017 Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the County and the Underwriters; (ii) in connection with such transaction, the Underwriters are acting solely as principals and not as a municipal advisor, financial advisor, agent or fiduciary of the County; (iii) the Underwriters have not assumed any advisory or fiduciary responsibility in favor of the County with respect to the offering of the Series 2017 Bonds or the process leading thereto (whether or not the Underwriters, or any affiliate of the Underwriters, have advised or are currently advising the County on other matters) nor have they assumed any other obligation to the County except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriters have financial and other interests that differ from those of the County; and (v) the County has consulted with its own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Series 2017 Bonds.

2. **Delivery of Preliminary Official Statement and Official Statement.**

Prior to the date hereof, the County has provided to the Underwriters, for their review, the Preliminary Official Statement of the County dated December __, 2017 relating to the Series 2017 Bonds (such Preliminary Official Statement including the cover page and all appendices thereto being herein called the "Preliminary Official Statement"). The County deemed the Preliminary Official Statement final as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule"), in connection with the marketing of the Series 2017 Bonds. The Underwriters have reviewed the Preliminary Official Statement prior to the execution of this Purchase Contract. The County shall cause to be delivered one final electronic copy to the Underwriters of the Official Statement, dated the date hereof (which, together with the cover page and appendices contained therein, is herein called the "Official Statement"), executed on behalf of the County by the Chair or any Vice-Chair, no later than the earlier of (i) seven (7) business days after the date of this Purchase Contract or (ii) one (1) business day prior to the Closing Date, in order to permit the Underwriters to comply with Rule 15c2-12 and applicable MSRB (hereinafter defined) Rules, with respect to distribution of the Official Statement. The County shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one (1) business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32. The County further agrees to provide the Underwriters with the advance refunding documents (as defined in MSRB Rule G-32) in a word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide such electronic copy of the word-searchable PDF format of the advance refunding documents to the Underwriters no later than four (4) business days after the Closing Date to enable the Underwriters to comply with MSRB Rule G-32. The Underwriters shall use electronic means to distribute the Official Statement and the County shall not pay any duplication

costs to reproduce the Preliminary Official Statement and Official Statement into paper copies in the event the Underwriters are required to do so under applicable law. The County, by its acceptance hereof ratifies the prior use of the Preliminary Official Statement by the Underwriters and approves and authorizes the Underwriters to use the Official Statement in connection with the public offering and the sale of the Series 2017 Bonds.

3. **Authority of the Underwriters.** The Underwriters are duly authorized to execute this Purchase Contract and shall have full authority to take such action as they may deem advisable with respect to all matters pertaining to this Purchase Contract. The Underwriters hereby represent to the County that they are registered under the Securities Exchange Act of 1934, as amended, as municipal securities dealers.

4. **Establishment of Issue Price.** (a) The Representative, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Series 2017 Bonds and shall execute and deliver to the County at Closing an "issue price" or similar certificate prepared by Bond Counsel, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as EXHIBIT C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the County and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2017 Bonds.

(b) [Except as otherwise set forth in EXHIBIT A attached hereto,] the County will treat the first price at which 10% of each maturity of the Series 2017 Bonds (the "10% test" is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Representative shall report to the County the price or prices at which the Underwriters have sold to the public each maturity of Series 2017 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2017 Bonds, the Representative agrees to promptly report to the County the prices at which Series 2017 Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or until all Series 2017 Bonds of that maturity have been sold to the public.

[(c) The Representative confirms that the Underwriters have offered the Series 2017 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in EXHIBIT A attached hereto, except as otherwise set forth therein. EXHIBIT A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2017 Bonds for which the 10% test has not been satisfied and for which the County and the Representative, on behalf of the Underwriters, agree that the restrictions

set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2017 Bonds, the Underwriters will neither offer nor sell unsold Series 2017 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2017 Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth (5th) business date after the sale date.

The Representative shall promptly advise the County when the Underwriters have sold 10% of that maturity of the Series 2017 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The County acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. Subject to compliance with the provisions of Section 4(d) below, the County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2017 Bonds.

- (d) The Representative confirms that:
 - (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2017 Bonds to the public, together with the related

pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2017 Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Series 2017 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2017 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2017 Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Series 2017 Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the public),

(iii) a purchaser of any of the Series 2017 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital

interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

5. **Security Deposit.** Upon execution of this Purchase Contract, the Representative shall deliver to the County a check for the amount of \$_____, which amount shall be at least 1% of the principal amount of the Series 2017 Bonds as stated on the cover of the Preliminary Official Statement. In the event the County does not accept this offer, such check shall be immediately returned to the Underwriters. If the offer made hereby is accepted, the County agrees to hold this check uncashed until the Closing (as defined herein) as security for the performance by the Underwriters of their obligation to accept and pay for the Series 2017 Bonds at the Closing, and in the event of its compliance with such obligations, such check shall be returned to the Underwriters at the Closing. In the event of failure by the County to deliver the Series 2017 Bonds at the Closing, or if the County shall be unable to satisfy the conditions of the Closing contained herein, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, such check shall be immediately returned to the Underwriters and such return shall constitute a full release and discharge of any claims the Underwriters may have against the County arising out of the transactions contemplated hereby. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2017 Bonds at the Closing as herein provided, such check shall be retained and cashed by the County as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and the County's collection and retention of such check shall constitute a full release and discharge of all claims by the County against the Underwriters arising out of the transactions contemplated hereby.

6. **County Representations, Warranties, Covenants and Agreements.** The County hereby represents and warrants to, and covenants and agrees with, the Underwriters as follows:

(a) The County is, and will be at the date of Closing, duly organized and validly existing as a political subdivision of the State of Florida, with the powers and authority set forth under Florida law.

(b) The County has full legal right, power and authority to: (i) enter into this Purchase Contract and the Escrow Deposit Agreement (collectively, the "County Documents"); (ii) adopt the Resolution; (iii) sell, issue and deliver the Series 2017 Bonds

to the Underwriters as provided herein; and (iv) carry out and consummate the transactions contemplated by the County Documents, the Series 2017 Resolution and the Preliminary Official Statement, and the County has complied, and at the Closing will be in compliance, in all respects with the obligations on its part in connection with the issuance of the Series 2017 Bonds contained in the Resolution, the Series 2017 Bonds, and the County Documents.

(c) At the time of delivery by the County to the Underwriters of the Official Statement and at the time of Closing, the statements and information contained in the Official Statement will be true, correct and complete in all material respects and the Official Statement will not omit any statement or information which should be included therein for the purposes for which the Official Statement is to be used or which is necessary to make the statements or information contained therein, in light of the circumstances under which they were made, not misleading (except with respect to information, if any, contained in the Official Statement supplied by The Depository Trust Company or the Underwriters as to which the County makes no representation and/or warranty).

(d) Except as disclosed in the Preliminary Official Statement, between the date of this Purchase Contract and the time of Closing, the County will not execute any bonds, notes or obligations for borrowed money, other than the Series 2017 Bonds, which pledge the Net Revenues of the County, without prior written notice to the Representative.

(e) The County has, by all necessary official action, duly adopted the Resolution, has duly authorized and approved the Official Statement and the use and distribution thereof by the Underwriters, has undertaken and agreed in the Series 2017 Resolution to provide continuing disclosure to the municipal marketplace in order to assist the Underwriters in complying with the requirements of Rule 15c2-12 (the "Undertaking"), and has duly authorized and approved the execution and delivery, and the performance by the County, of the County Documents and all other obligations on its part in connection with the issuance of the Series 2017 Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract in connection with the issuance of the Series 2017 Bonds. At the time of Closing, the Series 2017 Bonds, this Purchase Contract, the Resolution (including the Undertaking), and the Escrow Agreement will constitute legal, valid and binding obligations of the County, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(f) When delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Contract, the Series 2017 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special obligations of the County in conformity with Florida law and the Resolution, and shall be entitled to the benefits of the Resolution, including a lien on and

pledge of the Net Revenues, in accordance with the provisions of the Resolution, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity.

(g) The adoption of the Resolution and the authorization, execution and delivery of the County Documents and the Series 2017 Bonds, and compliance with the provisions hereof and thereof, will not, to the best of the County's knowledge, conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree, ordinance, resolution or any agreement or other instrument to which the County is subject nor to the best of the County's knowledge will such adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution.

(h) At the time of Closing, the County will be in compliance in all respects with the covenants and agreements contained in the Resolution applicable to the Series 2017 Bonds and no event of default and no event which, with the lapse of time or giving of notice, or both, would constitute an event of default under the Resolution will have occurred or be continuing.

(i) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the County of its obligations hereunder and under the Resolution have been obtained and are in full force and effect except for such approvals, consents and orders as may be required under "blue sky" or securities law or legal investment laws of any state in connection with the offering and sale of the Series 2017 Bonds or in connection with the registration of the Series 2017 Bonds under the federal securities laws.

(j) The County is lawfully empowered to pledge and grant a lien on the Net Revenues as provided in the Resolution for payment of the principal of, and interest on the Series 2017 Bonds and interest on the Series 2017 Bonds to and including the applicable Cross-Over Date as provided in the Escrow Deposit Agreement.

(k) Except as disclosed in the Preliminary Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of the County's knowledge, threatened against the County, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2017 Bonds, or the collection of the Net Revenues to pay the principal of, and interest on the Series 2017 Bonds, or the pledge of and lien on the Net Revenues or contesting or affecting as to the County the validity or

enforceability of Florida law in any respect relating to authorization for the issuance of the Series 2017 Bonds, the Resolution, or the County Documents, or contesting the exclusion from gross income of interest on the Series 2017 Bonds, or contesting the completeness or accuracy of the Preliminary Official Statement or any supplements or amendments thereto, or contesting the powers of the County or any authority for the issuance of the Series 2017 Bonds, the adoption of the Resolution, or the execution and delivery by the County of the County Documents.

(l) The audited financial statements relating to the County contained in the Preliminary Official Statement and to be contained in the Official Statement present fairly the financial position of the County at the dates indicated for the periods specified and have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects for the periods involved, except as otherwise stated in the notes thereto.

(m) Since September 30, 2016 there have been no material adverse changes in the financial position of the County, nor have any material liabilities relating to the County been incurred except as set forth in or contemplated by the Preliminary Official Statement.

(n) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order to (i) qualify the Series 2017 Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriters may designate, and (ii) determine the eligibility of the Series 2017 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2017 Bonds; provided, however, that the County shall not be required to execute a general or special consent to service of process, register as a broker/dealer or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(o) Except as expressly disclosed in the Preliminary Official Statement, to the best knowledge of the County, the County neither is nor has been in default at any time after December 31, 1975, as to principal or interest with respect to an obligation issued or guaranteed by the County.

(p) The County will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Series 2017 Bonds to be applied in a manner contrary to that provided for in the Resolution and as described in the Preliminary Official Statement.

(q) Any certificate signed by any official of the County and delivered to the Underwriters shall be deemed to be a representation by the County to the Underwriters as to the statements made therein.

(r) By certificate, as of its date, the Preliminary Official Statement was deemed "final" for purposes of the Rule, except for "permitted omissions" as therein defined by an official of the County who was heretofore authorized to make such certification.

(s) If, after the date of this Purchase Contract and until the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days following the end of the underwriting period, any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall notify the Underwriters thereof, and, if in the opinion of the Underwriters or the County, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its own expense (unless such amendment is deemed necessary because of information provided by a source the County assumed no responsibility for including, but not limited to, information provided by the Underwriters) forthwith prepare and furnish to the Underwriters a sufficient number of copies of such amendment or supplement (in form and substance satisfactory to County and the Underwriters) which will supplement or amend the Official Statement, so that the Official Statement will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at such time, not misleading. For purpose of this paragraph (s), the end of the underwriting period shall be the Closing.

(t) If the Official Statement is supplemented or amended as provided herein, at the time of such supplement or amendment thereto, the Official Statement, as so supplemented or amended, will not contain any untrue statement of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Between the date hereof and the Closing, the County will not supplement or amend the Resolution, this Purchase Contract, or the Official Statement without the prior consent of the Representative.

(u) The representations, warranties and agreements of the County contained herein shall be true and correct, complied with as of the date hereof and as of the date of the Closing, as if made on the date of the Closing.

(v) The County has never failed to materially comply with any agreement to provide continuing disclosure information within the last five (5) years pursuant to the Rule.

(w) The County has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

7. **The Closing.** At 11:00 A.M., Bradenton, Florida time, on December __, 2017, or at such time on such earlier or later date as shall be mutually agreed upon by the County and the Underwriters (the "Closing Date"), the County will deliver to the account of the Underwriters, via the Fast Automated Securities Transfer Program of registration through the DTC, the Series 2017 Bonds in book-entry only form duly executed, together with the other documents herein required; and the Underwriters will accept such delivery and pay, at such location as may be agreed upon by the County and the Underwriters, the purchase price of the Series 2017 Bonds as set forth in Section 1 hereof, by immediately available funds, payable to the order of the County. This delivery and payment is herein called the "Closing." The Series 2017 Bonds shall be made available to the Underwriters at least two days before the Closing for purposes of inspection.

8. **Closing Conditions.** The Underwriters have entered into this Purchase Contract in reliance upon the representations, covenants, warranties and agreements of the County herein contained and the performance by the County of its obligations hereunder, both as of the date hereof and as of the time of Closing. The obligations of the Underwriters under this Purchase Contract are and shall be subject to the following conditions:

(a) The representations, covenants, warranties and agreements of the County contained herein shall be true and correct and complied with as of the date hereof and as of the date of the Closing, as if made on the date of the Closing.

(b) At the time of the Closing, the Resolution (including the Undertaking set forth in the Series 2017 Resolution) shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except to the extent that such amendments or supplements have been agreed to by the Underwriters.

(c) At the time of Closing, all official action of the County relating to the County Documents, the Official Statement and the Series 2017 Bonds shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Underwriters.

(d) The Underwriters shall have the right to cancel the agreement contained herein to purchase, to accept delivery of and to pay for the Series 2017 Bonds by notifying the County in writing of their intention to do so if:

(i) between the date hereof and the Closing, legislation shall have been enacted by the Congress of the United States of America, or a bill introduced (by amendment or otherwise), or recommended to the Congress for passage by the President of the United States of America, or favorably reported for passage to either House of Congress by any Committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States of America or the United States Tax Court, or a ruling shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received on obligations of the general character of the Series 2017 Bonds, which, in the opinion of Counsel for the Underwriters or Bond Counsel, has, or will have, the effect of making such interest included in gross income of the holders thereof for purposes of federal income taxation, or

(ii) between the date hereof and the Closing, legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of Counsel for the Underwriters, has the effect of requiring the contemplated issuance or distribution of the Series 2017 Bonds to be registered under the Securities Act of 1933, as amended, or of requiring the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, or

(iii) an event described in Section 6(s) hereof shall have occurred which requires an amendment or supplement to the Official Statement and which, in the opinion of the Representative, adversely affects the marketability of the Series 2017 Bonds or the market price thereof, or

(iv) (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or (B) a general banking moratorium shall have been established by Federal, New York or Florida authorities, or (C) there shall have occurred any outbreak of new hostilities or any new national or international crisis or calamity, the effect of such outbreak, crisis or calamity being such as could cause a material disruption in the municipal bond market, and in the reasonable opinion of the Representative, any such event enumerated in (A) through (C) hereof adversely affects the marketability of the Series 2017 Bonds or the market price thereof, or

(v) an order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Series 2017 Bonds as contemplated hereby or by the Official Statement or prohibiting the adoption or performance of the Resolution, or

(vi) the County has, without prior written notice to the Representative, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, other than as described in the Official Statement, in either case payable from the Net Revenues, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the County, or

(vii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2017 Bonds or in any way contesting or affecting any authority for or the validity of the Series 2017 Bonds, the County Documents, the security and sources of payment of the Series 2017 Bonds, or any of the proceedings of the County taken with respect to the issuance or sale of the Series 2017 Bonds or the execution or performance of the County Documents, or

(viii) the President of the United States of America, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States of America or the State of Florida shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Underwriters, materially adversely affects the market price of the Series 2017 Bonds or causes any material information in the Official Statement, in light of the circumstances under which it appears, to be misleading in any material respect, or

(ix) any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States of America or the State of Florida or the State of New York, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of Florida or the State of New York shall be rendered which, in the reasonable judgment of the Underwriters, materially adversely affects the market price of the Series 2017 Bonds or causes any information in the Official Statement to be misleading in any material respect, or

(x) the County or the Underwriters shall be informed that the Series 2017 Bonds shall not be rated at least "____" by Moody's Investors Service, Inc. ("Moody's") or at least "____" by Fitch Ratings, Inc. ("Fitch").

(e) At or prior to the date of the Closing, the Underwriters shall receive the following documents:

(i) The Official Statement and any supplements, amendments or modifications, if any, thereto, fully executed on behalf of the County by the Chair or Vice-Chair and conformed copies of the Official Statement sufficient to satisfy the requirements of Section 2 hereof and Municipal Services Rulemaking Board Rule G-32.

(ii) The Resolution certified by the Clerk of the Board of County Commissioners under seal as having been duly adopted by the County and as being in effect, with such supplements, modifications or amendments as may have been agreed to by the Representative.

(iii) A final approving opinion of Greenberg Traurig, P.A., Bond Counsel to the County, addressed to the County, dated the date of the Closing, in substantially the form included in the Official Statement as APPENDIX D.

(iv) A letter of Greenberg Traurig, P.A., Bond Counsel to the County, addressed to the Underwriters, and dated the date of Closing, to the effect that their final approving opinion referred to in Section 8(e)(iii) hereof may be relied upon by such parties to the same extent as if such opinion were addressed to such parties.

(v) An opinion of Greenberg Traurig, P.A., Bond Counsel to the County, addressed to the County and the Underwriters, and dated the date of Closing, to the effect that (A) the information set forth in the Official Statement under the headings "INTRODUCTION" (other than the information set forth under the subheading "The County" and "Additional Information"), "PLAN OF REFUNDING," "DESCRIPTION OF THE SERIES 2017 BONDS" (other than the information set forth under the subheading "Book-Entry-Only System"), "SECURITY FOR THE SERIES 2017 BONDS," "TAX MATTERS," "ENFORCEABILITY OF REMEDIES," "CONTINUING DISCLOSURE (other than the first sentence under such heading)," and "AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT," and in APPENDIX C thereto insofar as such information purports to be descriptions or summaries of the Resolution, the Series 2017 Bonds and the Constitution and laws of the State of Florida and federal tax law, are correct as to matters of law and, to the extent indicated therein, accurate and fair statements or summaries of the matters set forth or documents referred to therein, (B) the Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use thereof by the Underwriters, (C) the County Documents have been duly authorized, executed and delivered by, and assuming the due authorization and delivery by the other parties thereto, constitute legal, valid and binding agreements of the County in accordance with their terms, except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws

affecting creditors' rights generally and subject, as to enforceability, to general principles of equity and the exercise of judicial discretion, (D) the Series 2017 Bonds are exempt from registration under the Securities Act of 1933, as amended, and it is not necessary in connection with the sale of the Series 2017 Bonds to the public to register the Series 2017 Bonds under the Securities Act of 1933, as amended, (E) the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (F) the County is authorized to and has lawfully pledged to the payment of the Series 2017 Bonds the Net Revenues as provided in the Resolution.

(vi) An opinion of Mitchell "Mickey" Palmer, Esquire, County Attorney, or an Assistant County Attorney, addressed to the County, Bond Counsel and the Underwriters, and dated the date of the Closing, to the effect that (A) the County is a political subdivision of the State of Florida, duly organized and validly existing and has full legal right, power and authority to adopt and perform its obligations under the Resolution (including the Undertaking), and to authorize, execute and deliver and to perform its obligations under the County Documents, (B) the County has duly adopted the Resolution, and has duly authorized, executed and delivered the County Documents, and assuming the due authorization, execution and delivery of the County Documents by the other parties thereto, the Resolution and County Documents each constitute legal, binding and valid obligations of the County, enforceable in accordance with their terms; provided, however, the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity and the exercise of judicial discretion, (C) to the best of his knowledge, with respect to the information in the Official Statement and based upon his participation in the preparation of the Official Statement as County Attorney (or Assistant County Attorney) and without having undertaken to determine independently the accuracy or completeness of the contents of the Official Statement, he has no reason to believe that the Official Statement (except for the financial and statistical data contained therein and except for information provided by The Depository Trust Company and the Underwriters, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, (D) the use of the Preliminary Official Statement by the Underwriters for the purpose of offering the Series 2017 Bonds has been duly authorized or ratified by the County, (E) the Official Statement has been duly authorized, executed and delivered by the County, and the County has consented to the use and distribution thereof by the Underwriters, (F) the adoption of the Resolution and the authorization, execution and delivery of the County Documents and the Series 2017 Bonds, and compliance with the provisions hereof and thereof, will not conflict with, or constitute a material breach of or material

default under, any law, administrative regulation, or to the best of his knowledge after due inquiry, any consent decree, ordinance, resolution or any agreement or other instrument to which the County is subject nor will such enactment, adoption, execution, delivery, authorization or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the County, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly provided by the Resolution, (G) all approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would currently constitute a condition precedent to the performance by the County of its obligations hereunder and under the Resolution have been obtained and are in full force and effect, (H) the County is lawfully empowered to pledge and grant a lien on the Net Revenues as provided in the Resolution for payment of the principal of, and interest on the Series 2017 Bonds, and (I) except as disclosed in the Official Statement, to the best of his knowledge after due inquiry, as of the date of his opinion, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best of his knowledge, threatened against the County, affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2017 Bonds or the collection of the Net Revenues to pay the principal of, and interest on the Series 2017 Bonds, or contesting or affecting as to the County the validity or enforceability of any applicable Florida law in any respect relating to authorization for the issuance of the Series 2017 Bonds, the Resolution, the County Documents, or contesting the tax-exempt status of interest on the Series 2017 Bonds, or contesting the completeness or accuracy of the Official Statement or any supplements or amendments thereto, or contesting the powers of the County or any authority for the issuance of the Series 2017 Bonds, the adoption of the Resolution, or the execution and delivery by the County of the County Documents; notwithstanding the foregoing, the County Attorney or Assistant County Attorney shall not be required to pass upon the applicability of any approvals, consents and orders as may be required under "blue sky" or securities laws or legal investment laws of any state in connection with the offering and sale of the Series 2017 Bonds or in connection with the registration of the Series 2017 Bonds or the qualification of the Resolution under the federal securities laws.

(vii) A certificate, which shall be true and correct at the time of Closing, signed by the Chair or Vice-Chair, or such other officials satisfactory to the Underwriters, and in form and substance satisfactory to the Underwriters, to the effect that (A) the representations, warranties and covenants of the County contained herein are true and correct to the best of his or her knowledge and belief in all material respects and are complied with as of the time of Closing, and (B) the Chair or the Vice-Chair has no knowledge or reason to believe that the

Official Statement as of its date, and as of the date of Closing, other than the information, if any, provided by the Underwriters and The Depository Trust Company, contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading.

(viii) An opinion of Nabors, Giblin & Nickerson, P.A., Counsel to the Underwriters, addressed to the Underwriters, and dated the date of Closing, in form and substance satisfactory to the Underwriters.

(ix) A certificate of an authorized representative of U.S. Bank National Association (the "Bank"), as Registrar, Paying Agent and Escrow Agent, to the effect that (A) the Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of Florida, (B) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and legal authority to execute and perform its functions under the Resolution and the Escrow Deposit Agreement, as applicable, (C) the performance by the Bank of its functions under the Resolution and the Escrow Deposit Agreement will not result in any violation of the Articles of Association or Bylaws of the Bank, any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, and no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Resolution and the Escrow Deposit Agreement, as applicable, (D) to the best of such authorized representative's knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to his or her knowledge, threatened against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Resolution and the Escrow Deposit Agreement, as applicable, and (E) the Series 2017 Bonds have been authenticated in accordance with the terms of the Resolution.

(x) A letter of Moody's to the effect that the Series 2017 Bonds have been assigned a rating of "___" or better and a letter of Fitch to the effect that the Series 2017 Bonds have been assigned a rating of "___," or better each of which ratings shall be in effect as of the date of Closing.

(xi) A certificate of an appropriate official of the County deeming the Preliminary Official Statement "final" as of its date for purposes of Rule 15c2-12, except for permitted omissions.

(xii) Verification by a nationally recognized firm of certified public accountants acceptable to the Underwriters, the County and Bond Counsel as to the accuracy of the cash sufficiency calculation of the escrow account with respect to interest on the Series 2017 Bonds and principal on the Refunded Bonds payable on October 1, 2020.

(xiii) An executed copy of the Escrow Deposit Agreement by and between the County and the Escrow Agent.

(xiv) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy as of the date hereof and as of the date of the Closing of the County's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the County on or prior to the date of Closing of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents described above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2017 Bonds contained in this Purchase Contract and the Underwriters do not waive such inability in writing, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Series 2017 Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the County shall be under any further obligation hereunder, except that the respective obligations of the County and the Underwriters set forth in Sections 5 and 9 hereof shall continue in full force and effect.

9. **Expenses.** The Underwriters shall be under no obligation to pay, and the County shall pay, any expense incident to the performance of the County's obligations hereunder including, but not limited to: (a) the cost of preparation and electronic delivery of the Preliminary Official Statement and Official Statement, and any supplement and amendments thereto (except as otherwise provided in Section 6(s) hereof); (b) the cost of preparation and printing of the Series 2017 Bonds, if any; (c) the fees and disbursements of Bond Counsel and the County Attorney; (d) the fees and disbursements of the Financial Advisor to the County; (e) the fees and disbursements of any accountants and

other experts, consultants or advisors retained by the County; (f) fees for bond ratings; and (g) the fees and expenses of the Registrar, the Paying Agent and the Escrow Agent; and (h) any expenses (included in the expense component of the Underwriters' discount) incurred by the Underwriters on behalf of the County in connection with the marketing, issuance and delivery of the Series 2017 Bonds, including, but not limited to, meals, transportation, lodging, and entertainment of the County's employees and representatives.

The Underwriters shall pay: (a) the cost of preparing, printing and delivery of this Purchase Contract; (b) the cost of all "blue sky" and legal investment memoranda, if any, and related filing fees; (c) all advertising expenses; and (d) all other expenses incurred by it in connection with the public offering of the Series 2017 Bonds, including the fees and disbursements of Underwriters' Counsel. In the event that either party shall have paid obligations of the other as set forth in this Section 9, adjustment shall be made at the time of the Closing.

10. **Notices**. Any notice or other communication to be given to the County under this Purchase Contract may be given by mailing the same to the Clerk of the Board of County Commissioners, Manatee County Courthouse, Bradenton, Florida 34205, attention: Angelina "Angel" Coloneso, and any such notice or other communication to be given to the Underwriters may be mailed to the Representative, Wells Fargo Bank, National Association, 2363 Gulf-to-Bay Blvd, Suite 200, Clearwater, FL 33765, Attention: David Thornton, Managing Director.

11. **Parties in Interest**. This Purchase Contract is made solely for the benefit of the County and the Underwriters and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect and shall survive the delivery of the Series 2017 Bonds.

12. **Waiver**. Notwithstanding any provision herein to the contrary, the performance of any of the obligations of the County hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived in writing by the Underwriters, in their sole discretion, and the approval of the Underwriters when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer or officers of the Representative and delivered to the County.

13. **No Liability**. Neither the Board of County Commissioners nor any of the members thereof, nor any officer, agent or employee thereof, shall be charged personally by the Underwriters with any liability, or held liable to the Underwriters under any term or provision of this Purchase Contract because of its execution or attempted execution, or because of any breach or attempted or alleged breach thereof.

14. **Counterparts.** This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

15. **Governing Law.** This Purchase Contract, and the terms and conditions herein, shall constitute the full and complete agreement between the County and the Underwriters with respect to the purchase and sale of the Series 2017 Bonds. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Florida.

[SIGNATURE PAGE TO PURCHASE CONTRACT]

WITNESS the due execution hereof on the date first above written in Manatee County, Florida.

WELLS FARGO BANK, NATIONAL ASSOCIATION, on behalf of itself and as representative of the Underwriters named herein.

By: _____
David R. Thornton, Managing Director

[SIGNATURE PAGE TO PURCHASE CONTRACT]

Accepted this ____ day of December, 2017

MANATEE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
Chair

Angelina Colonnese, Clerk of the Circuit
Court and Comptroller

By: _____
Deputy Clerk

EXHIBIT A

PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND PRICES

\$_____ Series 2017 Bonds

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				

*Yield and price shown to first optional redemption date of October 1, _____.

[**Denotes "Hold-the-Offering Price Maturities", all other maturities are "General Rule Maturities" as such terms are defined in Exhibit C to this Purchase Agreement.]

Redemption Provisions

The Series 2017 Bonds maturing on or prior to October 1, _____ shall not be redeemable prior to their stated dates of maturity. The Series 2017 Bonds maturing after October 1, _____ shall be redeemable at the option of the County from any legally available source, in whole or in part, in any order of maturity selected by the County, and by lot within a maturity if less than an entire maturity is to be redeemed, on [_____ 1, _____,] or at any time thereafter, at an initial redemption price of not greater than 100%, together with accrued interest to the date fixed for redemption.

The Series 2017 Bonds maturing on October 1, ____ are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on October 1, ____, and on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
-------------	-----------------------------

*Final Maturity

EXHIBIT B

\$ _____
MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

DISCLOSURE STATEMENT

December __, 2017

Board of County Commissioners
of Manatee County, Florida
Bradenton, Florida

Ladies and Gentlemen:

In connection with the proposed issuance by Manatee County, Florida (the "County") of the obligations described above (the "Series 2017 Bonds"), Wells Fargo Bank, National Association (the "Representative"), acting on behalf of itself, Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), has agreed to underwrite a public offering of the Series 2017 Bonds. Arrangement for underwriting the Series 2017 Bonds will include the execution of a Purchase Contract between the County and the Representative.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385(6), Florida Statutes, certain information in respect to the arrangement contemplated for the underwriting of the Series 2017 Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriters and paid by the Underwriters in connection with the purchase and reoffering of the Series 2017 Bonds are set forth on Schedule I attached hereto.

(b) Other than as disclosed below, there are no "finders," as that term is defined in Section 218.386(1)(a), Florida Statutes, connected with the issuance of the Series 2017 Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

	<u>Per \$1,000 Bond</u>
Average Takedown	\$
Expenses (including the fees and expenses of Underwriters' Counsel)	
Total Underwriting Spread	\$

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriters in connection with the issuance of the Series 2017 Bonds to any person not regularly employed or retained by the Underwriters (including any "finders" as defined in Section 218.386(1)(a), Florida Statutes) other than Underwriters' Counsel as described in Schedule I hereto.

(e) The names and addresses of the Underwriters are set forth below:

Wells Fargo Bank, National Association
2363 Gulf-to-Bay Blvd, Suite 200
Clearwater, Florida 33765

Citigroup Global Markets Inc.
100 North Tampa Street, Suite 3750
Tampa, Florida 33602

Raymond James & Associates, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

Yours very truly,

WELLS FARGO BANK, NATIONAL ASSOCIATION, on behalf of itself and as representative of the Underwriters named in the Purchase Contract

By: _____
David R. Thornton, Managing Director

SCHEDULE I

UNDERWRITERS' ESTIMATED EXPENSES

Average Takedown	\$0
Underwriters' Counsel Fees	
DTC	
CUSIP	
Ipreo	
Miscellaneous	
Total	\$

EXHIBIT C

FORM OF ISSUE PRICE CERTIFICATE

\$ _____

Manatee County, Florida Public Utilities Revenue Refunding Bonds, Series 2017

The undersigned, on behalf of Wells Fargo Bank, National Association ("the Representative"), on behalf of itself and Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Purchase Contract, dated December __, 2017, between the Representative and the Issuer (the "Purchase Contract").

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1 attached hereto.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities. (a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 2.

(b) As set forth in the Purchase Contract, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule 1 hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Manatee County, Florida.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December __, 2017.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(i) *Total Issue Price* means the total of the issue prices of all the Maturities (\$_____).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that

the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig, LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**WELLS FARGO BANK, NATION
ASSOCIATION, as Representative**

By: _____
David R. Thornton, Managing Director

Dated: December __, 2017

SCHEDULE 1

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL
OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE 2
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER __, 2017

NEW ISSUE - FULL BOOK ENTRY

See "RATINGS" herein

In the opinion of Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2017 Bonds (as defined below) is excludable from gross income for federal income tax purposes. Further, interest on the Series 2017 Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations and such interest is not to be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. See "TAX MATTERS" herein for a description of the federal alternative minimum tax on corporations and certain other federal tax consequences of ownership of the Series 2017 Bonds. Bond Counsel is further of the opinion that the Series 2017 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.

\$ _____ *

**MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017**

Dated: Date of Delivery

Due: October 1, as shown on the inside cover

The Public Utilities Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds") shall be dated the date of delivery and shall be issued by Manatee County, Florida (the "County") as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Interest on the Series 2017 Bonds is due semiannually on each October 1 and April 1, commencing April 1, 2018, and such interest will be paid by check or draft of U.S. Bank National Association, as Paying Agent to the registered holders. In lieu of payment by check or draft, at the request and expense of an owner of \$1,000,000 or more in aggregate principal amount of Series 2017 Bonds, payment may be made by bank wire transfer in the manner described in the herein defined Resolution. Principal of the Series 2017 Bonds is payable to the registered holders upon presentation, when due, at the designated corporate trust office of the Paying Agent. Upon initial issuance, the Series 2017 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. So long as DTC or Cede & Co. is the registered holder of the Series 2017 Bonds, payments on the Series 2017 Bonds will be mailed directly to DTC or Cede & Co., which is to remit such payments to the Direct Participants (as defined herein), which in turn are to remit such payments to the

Beneficial Owners (as defined herein) of the Series 2017 Bonds. See "DESCRIPTION OF THE SERIES 2017 BONDS - Book-Entry-Only System" herein.

The Series 2017 Bonds are subject to optional and mandatory redemption prior to their stated maturities as described herein.

The Series 2017 Bonds are limited obligations of the County payable from and secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System on parity with certain outstanding obligations of the County, as more fully described herein. Neither the full faith and credit, nor the taxing power of the County, is pledged for the payment of the Series 2017 Bonds. The Series 2017 Bonds shall not constitute a lien upon any property of the County, nor shall they constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely as provided herein.

Until (and including) the applicable Cross-Over Date (as defined herein), the interest on the Series 2017 Bonds will be additionally secured by amounts deposited and interest earned thereon in the escrow deposit trust fund (the "Trust Fund") held by the Escrow Agent under the Escrow Deposit Agreement (as such terms are defined herein). The foregoing notwithstanding, only the interest coming due on the Series 2017 Bonds until the Cross-Over Date will be paid from the amounts in the Trust Fund held by the Escrow Agent under the Escrow Deposit Agreement. After such Cross-Over Date the Series 2017 Bonds will be secured by and payable solely from the lien upon and pledge of the Net Revenues of the County's Public Utilities System.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read this entire Official Statement, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

The Series 2017 Bonds are being issued by the County for the purposes of (i) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B, currently Outstanding in the principal amount of \$60,345,000 (the "Refunded Bonds") and (ii) paying costs of issuance.

The Series 2017 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval as to legality by Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel to the County. Certain legal matters will be passed on for the County by the Office of the County Attorney. Certain legal matters will be

passed upon for the Underwriters by their counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. Public Resources Advisory Group, St. Petersburg, Florida is acting as Financial Advisor to the County. It is expected that the Series 2017 Bonds in book-entry-only form will be available through the facilities of DTC, on or about December __, 2017.

Wells Fargo Securities

Citigroup

Raymond James

Dated: December __, 2017

*Preliminary, subject to change.

\$ _____*

MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES
AND INITIAL CUSIP NUMBERS

<u>Maturity</u> <u>(October 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP</u> <u>Number**</u>
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					

* Preliminary, subject to change.

** The County is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

[Red Herring Language]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2017 Bonds may not be sold nor may offers to buy the Series 2017 Bonds be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy the Series 2017 Bonds 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. The County shall deem this Preliminary Official Statement "final," except for certain permitted omissions within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

MANATEE COUNTY, FLORIDA

BOARD OF COUNTY COMMISSIONERS

Betsy Benac, Chair
Robin DiSabatino, First Vice-Chair
Charles B. Smith, Second Vice-Chair
Stephen R. Johnson, Third Vice-Chair
Vanessa Baugh
Carol Whitmore
Priscilla Whisenant Trace

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

Angelina "Angel" Colonnese

COUNTY ADMINISTRATOR

Edwin Hunzeker

CHIEF FINANCIAL OFFICER

Daniel R. Wolfson, CPA

COUNTY ATTORNEY

Mitchell "Mickey" Palmer

DIRECTOR OF UTILITY OPERATIONS

C. Michael Gore

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Shinn & Company LLC

FINANCIAL ADVISOR

Public Resources Advisory Group

BOND COUNSEL

Greenberg Traurig, P.A

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations in connection with the Series 2017 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2017 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, DTC, and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the County with respect to any information provided by others.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2017 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2017 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2017 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT

PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally 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 WHICH 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 COUNTY 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.

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APPENDIX C	SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION
APPENDIX D	PROPOSED FORM OF OPINION OF BOND COUNSEL

OFFICIAL STATEMENT

Relating To

\$ _____ *

MANATEE COUNTY, FLORIDA Public Utilities Revenue Refunding Bonds, Series 2017

INTRODUCTION

This introduction is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement and should not be considered to be a complete statement of the facts material to making an investment decision. The offering by Manatee County, Florida (the "County") of its \$ _____ * Public Utilities Revenue Refunding Bonds, Series 2017 (the "Series 2017 Bonds"), to potential investors is made only by means of this entire Official Statement, including all appendices attached hereto.

Capitalized terms used but not defined herein have the same meaning as when used in the hereinafter described Resolution, unless the context would clearly indicate otherwise. A description of certain provisions relating to the Series 2017 Bonds are set forth in the Resolution, the summary of which is contained in APPENDIX C of this Official Statement. The descriptions of the Series 2017 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained as described under "MISCELLANEOUS" herein.

The County

The County, which had an estimated 2016 population of 356,133, covers an area of approximately 740 square miles on the west coast of the State of Florida (the "State"). It is bounded on the north by Tampa Bay and Hillsborough County, on the west by the Gulf of Mexico, on the south by Sarasota County, and on the east by DeSoto and Hardee Counties. The Lower Tampa Bay Bridge (the Sunshine Skyway) provides a direct link between the County and the City of St. Petersburg. Interstate 75 is the primary north-south access road within the County. Interstate 275, State Road 64, and State Road 70 are the major east-west access roads within the County. The City of Bradenton (2016 estimated population of 55,687) is the County seat. Other incorporated municipalities within the County are: Palmetto, Bradenton Beach, Holmes Beach, Anna Maria Island, and a portion of the Town of Longboat Key. The economy of the County is based on a

*Preliminary, subject to change.

combination of wholesale and retail trade, contract construction, agriculture, tourism, and cattle ranching. For additional information regarding the County, see APPENDIX A - "General Information Concerning Manatee County, Florida" attached hereto.

Purpose of the Series 2017 Bonds

The Series 2017 Bonds are being issued by the County for the purposes of (i) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B, currently Outstanding in the principal amount of \$60,345,000 (the "Refunded Bonds") and (ii) paying costs of issuance. See "PLAN OF FINANCE" herein.

When the Series 2017 Bonds are issued, the County will enter into an Escrow Deposit Agreement (the "Escrow Deposit Agreement") with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), pursuant to which the County will deposit a portion of the proceeds of the Series 2017 Bonds into an escrow deposit trust fund (the "Trust Fund"), such proceeds to be used to purchase certain direct obligations of the United States of America (the "Escrow Securities") the maturing principal of which, together with interest earnings thereon and any other proceeds of the Series 2017 Bonds held uninvested in cash, will be sufficient to pay the interest on the Series 2017 Bonds until the Cross-Over Date (as defined herein), and the principal of the Refunded Bonds on said Cross-Over Date. The County retains its right to call the Refunded Bonds for redemption in advance of the Cross-Over Date of October 1, 2020 pursuant to the terms of the Resolution. See "PLAN OF REFUNDING" and "SECURITY FOR THE SERIES 2017 BONDS" herein. Until (and including) the applicable Cross-Over Date, interest on the Series 2017 Bonds will be additionally secured by and payable from amounts held in the Trust Fund. After the Cross-Over Date the Series 2017 Bonds will be secured by and payable solely from the lien upon and pledge of the Net Revenues of the County's Public Utilities System.

"Cross-Over Date" means the earlier of (i) October 1, 2020, and (ii) such date on which amounts held by the Escrow Agent under the Escrow Deposit Agreement are applied to pay the principal of the Refunded Bonds upon redemption thereof due to the occurrence of an Extraordinary Event (as defined herein). Upon the occurrence of an Extraordinary Event, the County may, but is not obligated to, redeem the Refunded Bonds pursuant to the extraordinary optional redemption provisions of the Resolution.

Authority for the Series 2017 Bonds

The Series 2017 Bonds are being issued pursuant to Chapter 63-1598, Laws of Florida, Acts of 1963, as amended and supplemented, Chapters 125, 197 and 403, Florida Statutes, Chapter 159, Part VII, Florida Statutes, certain ordinances of the County, and

other applicable provisions of law, and pursuant to Resolution No. R-91-21 adopted by the Board of County Commissioners of the County (the "Board") on January 15, 1991, as amended and supplemented (the "Original Resolution"), including, in particular, as amended and supplemented by Resolution No. R-10-233, adopted by the Board on November 9, 2010, Resolution No. R-10-238, adopted by the Board on November 16, 2010 (collectively, the "Series 2010 Resolution"), Resolution No. R-11-225, adopted by the Board on October 25, 2011 (the "Series 2011 Resolution"), Resolution No. R-15-001, adopted by the Board on March 24, 2015 (the "Series 2015 Resolution"), and Resolution No. R-17-147, adopted by the Board on December 12, 2017 (the "Series 2017 Resolution" and together with the Original Resolution, the Series 2010 Resolution, the Series 2011 Resolution, and the Series 2015 Resolution, the "Resolution").

Description of the Series 2017 Bonds

The Series 2017 Bonds shall be dated the date of delivery and shall be issued by the County as fully registered bonds in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases will be made in book entry form only through DTC in the denomination of \$5,000 or any integral multiple thereof. Interest on the Series 2017 Bonds is payable on April 1, 2018 and semiannually on each October 1 and April 1 thereafter. Payments of principal and interest on the Series 2017 Bonds will be made to purchasers by DTC through Direct Participants. U.S. Bank National Association will serve as Paying Agent and Registrar for the Series 2017 Bonds. See "DESCRIPTION OF THE SERIES 2017 BONDS" herein.

Security for the Series 2017 Bonds

The Series 2017 Bonds will be payable from and secured by a lien upon and pledge of the Net Revenues of the County's Public Utilities System on a parity with the County's Outstanding Public Utilities Revenue Refunding and Improvement Bonds, Series 2015 (the "Series 2015 Bonds"), Public Utilities Revenue Refunding and Improvement Bonds, Series 2011 (the "Series 2011 Bonds"), Federally Taxable - Direct Payment - Public Utilities Revenue Improvement Build America Bonds, Series 2010 A (the "Series 2010 A Bonds"), Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010 B (the "Series 2010 B Bonds") and the Public Utilities Revenue Improvement Bonds, Series 2010 C (the "Series 2010 C Bonds") (collectively, the "Prior Bonds"). Upon issuance of the Series 2017 Bonds, the Prior Bonds will be outstanding in the aggregate principal amount of \$174,855,000. See "SECURITY FOR THE SERIES 2017 BONDS - Subordinated Indebtedness" herein for a discussion of potential subordinated debt to be secured by the Net Revenues from time to time. The County's Public Utilities System consists of the Water, Wastewater, Solid Waste and Stormwater Management Divisions, as more fully described herein. At this time, the County does not collect any revenues from the operation of its Stormwater Management Division. See "SECURITY FOR THE

SERIES 2017 BONDS" herein. Pursuant to the terms of the Series 2010 Resolution, in certain calculations and as a pledge to secure the Series 2017 Bonds, Net Revenues also include any Federal Direct Payments (as defined herein) received by the County and on deposit in the Federal Direct Payment Account of the Sinking Fund and Federal District Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time. See "SECURITY FOR THE SERIES 2017 BONDS - Pledged Revenues; Special Obligations" and "- Federal Direct Payments" herein. The term "Bonds" as used herein shall mean the Prior Bonds, the Series 2017 Bonds and any obligations issued on a parity with such Bonds.

Additional Bonds

The County may issue additional obligations on a parity with the Prior Bonds and the Series 2017 Bonds subject to compliance with certain conditions set forth in the Resolution. See "SECURITY FOR THE SERIES 2017 BONDS - Additional Bonds" herein.

Amendments of Resolution

The Series 2015 Resolution authorized certain springing amendments to the Original Resolution. Purchase of the Series 2017 Bonds by the initial investors thereof shall constitute consent to the amendments provided in the Series 2015 Resolution. Consent of the initial Series 2017 Bondholders shall be binding on all future Series 2017 Bondholders and all future owners of Additional Bonds. See "SECURITY FOR THE SERIES 2017 BONDS - Amendments to Resolution; Springing Amendments" herein.

Continuing Disclosure

The County has covenanted for the benefit of the Series 2017 Bondholders to provide certain financial information and operating data relating to the County, the Public Utilities System and the Series 2017 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events, in accordance with Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

Additional Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement contains certain information concerning DTC and its book-entry-only system of registration. Such information has been provided by DTC, and the County does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by DTC and is not responsible for such information.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is

directed to all such documents for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for and the source for repayment for the Series 2017 Bonds and the rights and obligations of the holders thereof. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities Exchange Commission ("SEC") Rule 15c2-12, as amended (the "Rule"). Copies of such documents may be obtained from Ms. Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller, Manatee County Courthouse, 1115 Manatee Avenue West, Room 235, Bradenton, Florida 34205 or at angel.colonnese@manateeclerk.com, upon payment of the County's cost of reproduction and delivery, if any.

PLAN OF REFUNDING

The Series 2017 Bonds are being issued by the County to advance refund, on a cross-over basis, all of the Refunded Bonds, which are currently outstanding in the principal amount of \$60,345,000.

To effect the cross-over refunding of the Refunded Bonds, the County will enter into the Escrow Deposit Agreement with the Escrow Agent. The Refunded Bonds are anticipated to be called for redemption on October 1, 2020 (in such context, the "Redemption Date") at a redemption price equal to 100% of the principal amount of the Refunded Bonds to be redeemed; provided, however, that the County retains the right to call the Refunded Bonds for redemption prior to the October 1, 2020 Cross-Over Date in accordance with the terms of the Resolution.

Pursuant to the terms of the Escrow Deposit Agreement, the County will deposit a portion of the proceeds of the Series 2017 Bonds in the Trust Fund held by the Escrow Agent and apply a portion thereof to the purchase of the Escrow Securities. The Escrow Securities, together with the interest thereon and a cash balance on deposit in the Trust Fund are calculated to be sufficient to pay (i) the interest coming due on the Series 2017 Bonds until October 1, 2020, and (ii) on October 1, 2020, the principal of the Refunded Bonds. See "VERIFICATION OF ARITHMETICAL CALCULATIONS" herein. The Escrow Deposit Agreement provides that deposit of moneys and Escrow Securities in the Trust Fund will constitute an irrevocable deposit of said moneys and Escrow Securities and other property (i) for the benefit and security of the holders from time to time of the Series 2017 Bonds (solely with respect to interest on such Series 2017 Bonds) and (ii) for the benefit and security of the holders of the Refunded Bonds on the applicable Cross-Over Date (solely with respect to principal of such Refunded Bonds). The Escrow Agent shall, no later than each interest payment date for the Series 2017 Bonds transfer from the Trust Fund to the Paying Agent for the Series 2017 Bonds an amount sufficient to pay the

interest on the Series 2017 Bonds coming due on such interest payment date. On the applicable Cross-Over Date the Escrow Agent transfers the balance in the Trust Fund after paying all accrued interest on the Series 2017 Bonds to and including the applicable Cross-Over Date, to the Paying Agent for the Refunded Bonds to pay the Outstanding principal of the Refunded Bonds.

Upon receipt of written notice from the County that an Extraordinary Event has occurred and that the County has determined to redeem the Refunded Bonds prior to October 1, 2020, as a result of the occurrence of the Extraordinary Event, the Escrow Agent will timely redeem the Escrow Securities held to the credit of the Trust Fund and apply the amounts received from such redemption and other cash in the Trust Fund to redeem the Refunded Bonds on such date prior to October 1, 2020 as specified by the County in the written notice provided to the Escrow Agent. Upon receipt of notification that the County has determined to redeem the Refunded Bonds prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the Escrow Agent will not pay any interest on the Series 2017 Bonds accruing after the date of redemption of the Refunded Bonds from amounts in the Trust Fund. The redemption price of the Refunded Bonds shall be calculated by the County pursuant to the make-whole provisions of the Series 2010 Resolution. If the redemption price as so calculated does not create greater savings to the County than if the Refunded Bonds were paid and redeemed on the October 1, 2020 Cross-Over Date, notwithstanding the occurrence of the Extraordinary Event, no extraordinary optional redemption shall occur. The County shall pay from Net Revenues (as defined in the Resolution) and from moneys on deposit in the reserve accounts established for Refunded Bonds, the Series 2010A Bonds maturing on October 1, 2020 (collectively with the Refunded Bonds, the "Prepaid Bonds") the accrued interest on the Prepaid Bonds and make-whole premium on the earlier Cross-Over Date upon the occurrence of an Extraordinary Event and a determination by the County to redeem the Prepaid Bonds on the earlier Cross-Over Date and the Escrow Agent shall accept from the County such money for deposit into the Trust Fund, any additional moneys that may be required.

Under the Resolution, an "Extraordinary Event" will have occurred if the County determines that a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the Recovery Act pertaining to Build America Bonds) or other applicable provisions of the Code pursuant to which the County's Federal Direct Payments from the Department of Treasury are materially reduced or eliminated. Upon the occurrence of an Extraordinary Event, the County may, but is not obligated to, redeem the Refunded Bonds pursuant to the extraordinary optional redemption provisions of the Resolution.

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It is the intention of the County that the Refunded Bonds will remain Outstanding until the applicable Cross-Over Date. The Refunded Bonds consist of the following principal amounts of the following maturities:

REFUNDED BONDS*

Maturity Date	
<u>(October 1)</u>	<u>Principal Amount</u>
2021	2,995,000
2022	3,115,000
2023	3,240,000
2024	3,380,000
2025	2,315,000
2030**	21,105,000
2035**	24,195,000

* Assuming that the Refunded Bonds are redeemed on October 1, 2020. If the Refunded Bonds are redeemed prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the redemption price will consist of the principal amount of the Refunded Bonds, the principal amount of the Series 2010A Bonds maturing on October 1, 2020 plus a make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238 and accrued interest thereon.

** Term bonds.

The initial cash deposit plus principal and interest on the Escrow Securities in the Escrow Deposit Fund will be sufficient to pay and redeem the Refunded Bonds according to the schedules prepared by Wells Fargo Bank, National Association, as verified by Causey, Demgen & Moore, P.C. (the "Verification Agent"). See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein.

DESCRIPTION OF THE SERIES 2017 BONDS

General Description

The Series 2017 Bonds will be dated the date of issuance and will mature in the years, and in the amounts and bear interest at the rates set forth on the inside cover page hereof. The Series 2017 Bonds will be issued in fully registered form, in the denomination of \$5,000 and integral multiples thereof and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Purchases of beneficial interests in the Series 2017 Bonds will be made in book-entry-only form (without certificates) solely through Direct Participants, as described herein.

Interest on the Series 2017 Bonds (first payment due April 1, 2018 and semiannually on each October 1 and April 1 thereafter) will be payable by U.S. Bank National Association, as Paying Agent, mailed to the registered owner, as shown on the registration books of the County maintained by U.S. Bank National Association, as the

Registrar, on the fifteenth day of the month prior to each Interest Payment Date, whether or not such day is a Business Day (the "Record Date"). The principal of the Series 2017 Bonds is payable at maturity to the registered owner at the designated corporate trust office of the Paying Agent.

So long as the Series 2017 Bonds shall be in book-entry-only form, payments on the Series 2017 Bonds are payable by check or draft mailed or delivered to Cede & Co. as registered owner thereof and will be redistributed by DTC and the Direct Participants as described in "Book-Entry-Only System" below.

Redemption of Series 2017 Bonds

Optional Redemption. The Series 2017 Bonds maturing on or prior to October 1, 20__ shall not be redeemable prior to their stated dates of maturity. The Series 2017 Bonds maturing after October 1, 20__ shall be redeemable at the option of the County from any legally available source, in whole or in part, in any order of maturity selected by the County, and by lot within a maturity if less than an entire maturity is to be redeemed, on _____ 1, 20__, or at any time thereafter, at an initial redemption price of not greater than 100%, together with accrued interest to the date fixed for redemption.

Mandatory Redemption. The Series 2017 Bonds maturing on October 1, 20__ are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on October 1, 20__, and on October 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:

<u>Year</u>		<u>Principal Amount</u>
	\$	
		*

*Final Maturity.

Notice of Redemption. Notice of redemption will be mailed, postage prepaid, by the Registrar not less than 30 days prior to the date fixed for redemption, to all registered owners of the Series 2017 Bonds or portion of Series 2017 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar, fifteen days prior to the date such notice is mailed.

Notice of redemption shall set forth (i) the identification of the Series 2017 Bonds subject to redemption, (ii) the date fixed for redemption, (iii) the redemption price to be paid, (iv) the Series of Series 2017 Bonds to be redeemed, (v) that such Series 2017

Bonds will be redeemed at the designated corporate trust office of the Paying Agent, and the name, address and telephone number of a contact person, (vi) if less than all of the Series 2017 Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Series of Series 2017 Bonds to be redeemed, and (vii) in the case of a Series of Series 2017 Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. The notice of redemption may provide that such notice is contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur the notice will be rescinded, provided notice of rescission will be mailed in the manner described above to all affected Bondholders within a reasonable time period after the County determines that such conditions will not be satisfied and prior to the scheduled date of redemption. Failure of the registered owner of any Series 2017 Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2017 Bonds for which proper notice has been given. Interest shall cease to accrue on any of the Series 2017 Bonds duly called for prior redemption if payment of the redemption price has been duly made or provided for.

Book-Entry-Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE, BUT THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of the Series 2017 Bonds 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 (the "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 (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017 Bond ("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 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2017 Bonds 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 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an 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 made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 Bond documents. For example, Beneficial Owners of the Series 2017 Bonds

may wish to ascertain that the nominee holding the Series 2017 Bonds 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 Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2017 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 the Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2017 Bonds 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 County or the Paying Agent and Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, the Registrar or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent for the Series 2017 Bonds. 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 the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Bond certificates are required to be printed and delivered.

The County may decide, subject to the procedures of DTC, to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2017 Bond certificates will be printed and delivered and be subject to transfer and registration as provided in the Resolution.

SECURITY FOR THE SERIES 2017 BONDS

Pledged Revenues; Special Obligations

The Series 2017 Bonds will be payable from and secured by a lien upon and a pledge of the Net Revenues of the Public Utilities System. Until (and including) the applicable Cross-Over Date, interest on the Series 2017 Bonds will be additionally secured by and payable from amounts held in the Trust Fund. After such Cross-Over Date the Series 2017 Bonds will be secured by and payable solely from the lien upon and pledge of the Net Revenues of the County's Public Utilities System. The Public Utilities System consists of the Water, Wastewater, Solid Waste and Stormwater Management Divisions. The County may, by subsequent resolution, elect to pledge special assessments for the payment of principal of and interest on the Series 2017 Bonds. If the County makes such election, the special assessments so pledged shall be treated for all purposes as Gross Revenues. For the purpose of determining Net Revenues with respect to the Rate Covenant, the conditions for issuance of Additional Bonds and for determining Net Revenues pledged to secure the Series 2017 Bonds, Federal Direct Payments (as defined below) actually received by the County and on deposit in the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time shall be included as Net Revenues. Further, Federal Direct Payments actually received by the County and on deposit in the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time may be used to pay Annual Debt Service. The Series 2017 Bonds shall be payable on a parity in all respects with the Prior Bonds and any Additional Bonds.

The Series 2017 Bonds shall not be and shall not constitute an indebtedness of the County within the meaning of any constitutional, statutory or other limitation of indebtedness, but shall be payable solely from the Net Revenues, which as described below includes Federal Direct Payments and, until the applicable Cross-Over Date, interest on the Series 2017 Bonds shall be payable from the Trust Fund established under the Escrow Deposit Agreement. No holder or holders of any Series 2017 Bonds issued under the Resolution shall ever have the right to compel the exercise of the ad valorem taxing power of the County, or taxation in any form of any real property therein to pay the Series 2017 Bonds or the interest thereon.

Amendments to Resolution; Springing Amendments

The Series 2015 Resolution provided for springing amendments (the "2015 Springing Amendments") to become effective once the Series 2015 Bonds and any subsequent Additional Bonds issued by the County equal 100% of the total amount of Bonds Outstanding under the Resolution. The 2015 Springing Amendments (1) amend the definition of "Operating Expenses" to clarify that certain pension and health insurance

costs are excluded from such definition, and that escrowed Landfill closure expenses shall not be treated as Operating Expense for the purposes of the rate covenant and additional bonds test, (2) remove the requirement for a Consultant's Report to determine the amount to be deposited annually to the Rate Stabilization Fund and eliminate any predetermined withdrawal period from such fund, (3) create a renewal and replacement fund to pay for capital improvements to the System and provides that the County may annually determine the amount, if any, to deposit therein, and (4) rename the Capital Improvement Fund to "General Reserve Fund" and provide that the County may use such monies on deposit therein for any public works project legally permitted under applicable law. The County cannot predict when in the future such 2015 Springing Amendments will become effective and what impact such 2015 Springing Amendments will have on the financial operations of the County's Public Utilities System.

PURCHASE OF THE SERIES 2017 BONDS BY THE INITIAL INVESTORS THEREOF SHALL CONSTITUTE CONSENT TO THE 2015 SPRINGING AMENDMENTS. CONSENT OF THE INITIAL SERIES 2017 BONDHOLDERS SHALL BE BINDING ON ALL FUTURE SERIES 2017 BONDHOLDERS AND ALL FUTURE OWNERS OF ADDITIONAL BONDS. THE UNDERWRITERS ARE NOT PROVIDING CONSENT TO OR APPROVAL OF THE SPRINGING AMENDMENTS AND THE COUNTY WILL NOT DEEM THE SPRINGING AMENDMENTS TO HAVE BEEN CONSENTED TO OR APPROVED BY THE UNDERWRITERS AS A RESULT OF THE UNDERWRITERS' PURCHASE OF THE SERIES 2017 BONDS IN THEIR CAPACITY AS UNDERWRITERS AS DEFINED IN SECTION 2(A)(11) OF THE SECURITIES ACT OF 1933, AS AMENDED.

Creation of Funds and Accounts

The Resolution creates the following funds and accounts:

- (a) Revenue Fund (hereinafter referred to as the "Revenue Fund").
- (b) Sinking Fund (hereinafter referred to as the "Sinking Fund"), with separate accounts to be known as the "Interest Account," the "Principal Account," the "Bond Redemption Account," the "Debt Service Reserve Account" for each Series of Bonds and the "Federal Direct Payments Account." The County reserves the right, but shall not be obligated to create and establish additional separate Federal Direct Payment Accounts and separate subaccounts within the Federal Direct Payment Account for each series of Build America Bonds. Upon the effective date of the Springing Amendments, the County will not be required to create Debt Service Reserve Accounts for each Series of Bonds.
- (c) Rate Stabilization Fund (the "Rate Stabilization Fund").

(d) Acquisition/Construction Fund (the "Construction Fund"), with a separate line item to be known as the "2017 Cost of Issuance Cost Center."

(e) Capital Improvement Fund (the "Capital Improvement Fund").

The Sinking Fund, including the Interest Account, Principal Account, Bond Redemption Account, Debt Service Reserve Accounts and Federal Direct Payments Account (including any subaccount therein) therein, the Capital Improvement Fund, the Construction Fund and all other special funds and accounts created and established by the Resolution, other than the Rate Stabilization Fund, shall constitute trust funds for the Holders of the Series 2017 Bonds, except that any Debt Service Reserve Account shall constitute a trust fund only for the Holders of the Series of Bonds for which such Debt Service Reserve Account relates. The amounts required to be accounted for in each of the funds and accounts may be deposited in a single bank account maintained by the County, provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein. The designation and establishment of such funds and accounts shall not be construed to require the establishment of any completely independent funds and accounts but rather is intended solely to constitute an allocation of certain revenues and assets of the Public Utilities System for certain purposes and to establish such certain priorities for application of certain revenues and assets.

Debt Service Reserve Account

The Resolution provides for the establishment of a separate and distinct Debt Service Reserve Account for any Series of Bonds as determined by the County in the Sinking Fund, each referred to herein as a "Debt Service Reserve Account," with such other appropriate denomination as the County deems necessary to distinguish one such Debt Service Reserve Account from another. Each such Debt Service Reserve Account shall constitute separate security for the Series of Bonds for which it relates and the moneys or securities therein or derived from a Reserve Account Credit Facility Substitute therein shall not be available to pay debt service on any other Series of Bonds unless expressly so provided by subsequent proceedings of the County.

There will be no debt service reserve requirement for the Series 2017 Bonds. Amounts on deposit in any Debt Service Reserve Account established for any other Series of Bonds shall not be available for the Series 2017 Bonds.

Rate Covenant

Pursuant to the Resolution, the County has agreed to fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and facilities of its Public Utilities System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year Net Revenues, which shall be adequate to pay at

least 115% of the Annual Debt Service Requirement for all Outstanding Bonds, including the Series 2017 Bonds; and that such Net Revenues shall be sufficient to make all of the payments required by the terms of the Resolution; and that such rates, fees, rentals or other charges shall not be reduced so as to be insufficient for such purposes. See "SECURITY FOR THE SERIES 2017 BONDS - Pledged Revenues; Special Obligation" herein.

Subordinated Indebtedness

The County may, at any time or from time to time, issue evidences of indebtedness payable in whole or in part out of the Net Revenues of the County's Public Utilities System and which may be secured by a pledge of the Net Revenues subordinated in all respect to the pledge of the Net Revenues created by the Resolution. Presently, the County has no outstanding subordinate debt.

Additional Bonds

The County may issue from time to time Additional Bonds on a parity with the Outstanding Bonds, including the Series 2017 Bonds, subject to the following conditions:

(1) The County must be current in all deposits and payments required by the Resolution and in compliance with all covenants therein.

(2) The Net Revenues received during any 12 consecutive months of the 24 months immediately preceding the issuance of said additional Bonds, as certified by the Clerk and as may be adjusted pursuant to the Resolution, equal 115 % of the Maximum Annual Debt Service Requirement on (a) the Outstanding Bonds, including the Series 2017 Bonds, and (b) the Additional Bonds then proposed to be issued.

(3) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the condition of subparagraph (2) above shall not apply, provided that the issuance of such Additional Bonds shall result in a reduction or shall not increase the annual debt service payments over the life of the Bonds so refunded.

Federal Direct Payments actually received by the County and on deposit in the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time shall be included in the calculation of Net Revenues to comply with the provisions for issuance of Additional Bonds.

See APPENDIX C - "Summary of Certain Provisions of the Resolution - Issuance of Pari Passu Additional Bonds" attached hereto for a more complete discussion of the ability of the County to issue Additional Bonds and a description of adjustments which may be made to the test described above, including adjustments for Federal Direct Payments actually received by the County and on deposit in the Federal Direct Payments

Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time.

Application of Revenues

Prior to the effective date of the Springing Amendments, all Revenues derived from the operation of the Public Utilities System shall be deposited in the Revenue Fund and shall be disposed of only in the following manner:

(1) Revenues shall be used, to the full extent necessary, to pay Operating Expenses that are due and payable during the current calendar month.

(2) If the Board determines it to be in the best interest of the County, Revenues shall next be deposited in the Rate Stabilization Fund each month in an amount equal to 1/36th of the Rate Stabilization Deposit Amount, after giving credit for amounts on deposit therein. The Rate Stabilization Deposit Amount shall be determined by a Consultant's Report in the manner provided in the Resolution.

(3) Revenues shall next be deposited into the Interest Account in the Sinking Fund on the 15th day of each month in such sums as shall be sufficient to pay 1/6th of the interest becoming due on all Outstanding Bonds, including the Series 2017 Bonds, on the next Interest Payment Date. Monthly deposits for interest shall not be required to the extent money is on deposit therein. In the event the period to elapse between the date of delivery of the Series 2017 Bonds and the next Interest Payment Date will be less or more than six months, such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required interest amount maturing on the next Interest Payment Date.

(4) Revenues shall next be used:

(a) for deposit in the Principal Account in the Sinking Fund on the 15th day of each month in each year, 1/12th of the principal amount or Accreted Value of Serial Bonds which will mature and become due on the next annual maturity date. In the event the period to elapse between the date of delivery of the Series 2017 Bonds and the next principal payment date will be less or more than 12 months, such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required principal amount maturing on the next principal payment date.

(b) for deposit into the Bond Redemption Account in the Sinking Fund on the 15th day of each month in each year, 1/12th of the amount required for the payment of Term Bonds, until the amount on deposit therein is equal to the amount required to be paid on the next installment payment date.

(5) To the extent not funded from Bond proceeds or covered by the amounts on deposit in the Debt Service Reserve Accounts, Revenues shall next be used on a pro rata basis, to the full extent necessary, for deposits into each of the Debt Service Reserve Accounts in the Sinking Fund on the 15th day of each month in each year, beginning with the 15th day of the first full calendar month following the date on which any or all of the Series 2017 Bonds or Bonds of any other Series are delivered to the purchaser thereof, such sums as shall be sufficient to pay an amount equal to 1/12th of 20% of the Debt Service Reserve Requirement applicable for each Series of Bonds. No further payments shall be required to be made in the Debt Service Reserve Account whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such Series of Bonds.

(6) Revenues shall next be used, first, for the repayment of any obligations owed to the provider of any Reserve Account Credit Facility Substitute (pro rata, if necessary), and, second, for the payment of any subordinated indebtedness hereafter issued by the County in connection with the Public Utilities System.

(7) Any Revenues remaining in the Revenue Fund shall be deposited in the Capital Improvement Fund and used by the County to make improvements to the Public Utilities System, to pay the costs of renewal or replacement of capital assets of the Public Utilities System or extraordinary repairs thereto, to establish reserves for closure costs of the County's Landfill, to purchase or redeem Bonds prior to maturity or for any public works project legally permitted under applicable law (including the payment of debt service on bonds or other debt obligations issued by the County for such public works projects) in the manner and amount determined by subsequent proceedings of the Board. The Resolution defines "public works" as capital projects for the acquisition, construction and/or rehabilitation of roads, highways, bridges and tunnels, and such other legally permissible capital projects relating thereto as shall be determined by ordinance of the County.

(8) Notwithstanding the above paragraphs (3), (4), (5) and (6) above under this heading, any moneys on deposit in the Federal Direct Payments Account or any subaccount therein may be used in substitution of the use of Net Revenues or in combination with Revenues to pay Annual Debt Service on the Series 2017 Bonds.

For additional information describing the Springing Amendments applicable to the foregoing application of revenues, see "SECURITY FOR THE SERIES 2017 BONDS - Amendments to Resolution; Springing Amendments" herein.

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ESTIMATED SOURCES AND USES OF FUNDS

The following sets forth the estimated sources and uses of the Series 2017 Bond proceeds:

SOURCES OF FUNDS

Proceeds of Series 2017 Bonds	\$
Plus: [Net Original Issuance Premium]	<hr/>
TOTAL SOURCES OF FUNDS	\$ <hr/>

USES OF FUNDS

Deposit to Escrow Deposit Trust Fund	\$
Pay Costs of Issuance ⁽¹⁾	<hr/>
TOTAL USES OF FUNDS	\$ <hr/> <hr/>

⁽¹⁾ Includes Underwriters' discount, legal and financial advisory fees, printing costs, rating agency fees and other miscellaneous expenses.

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DEBT SERVICE SCHEDULE FOR THE SERIES 2017 BONDS

The table below sets forth the annual debt service requirements with respect to the Series 2017 Bonds.

Period Ending <u>October 1</u>	<u>Principal</u>	<u>Interest</u>	Total Debt <u>Service</u>
2018	\$	\$	\$
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
TOTAL	\$ _____	\$ _____	\$ _____

DEBT SERVICE SCHEDULE FOR THE PRIOR BONDS AND SERIES 2017 BONDS

The table below sets forth the annual debt service requirements with respect to the Prior Bonds and Series 2017 Bonds.

Bond Year Ending October 1	Series 2010 Bonds Debt Service ⁽¹⁾⁽²⁾	Series 2011 Bonds Debt Service	Series 2015 Bonds Debt Service	Series 2017 Bonds Debt Service	Total Debt Service
2018	\$7,332,733.00	\$2,901,750.00	\$7,105,250.00	\$	\$
2019	7,333,858.00	2,903,500.00	7,109,050.00		
2020	7,329,658.00	2,899,750.00	7,113,300.00		
2021		2,905,500.00	7,108,800.00		
2022		2,905,000.00	3,155,550.00		
2023		2,903,250.00	3,155,550.00		
2024			4,605,550.00		
2025			4,688,050.00		
2026			4,782,800.00		
2027			4,903,800.00		
2028			5,019,300.00		
2029			5,154,050.00		
2030			5,281,550.00		
2031			5,425,550.00		
2032			5,569,300.00		
2033			5,728,550.00		
2034			5,881,800.00		
2035			6,057,200.00		
2036			11,669,400.00		
2037			11,670,400.00		
2038			11,670,400.00		
2039			11,668,800.00		
TOTAL	<u>\$21,996,249.00</u>	<u>\$17,418,750.00</u>	<u>\$144,524,000.00</u>	<u>\$</u>	<u>\$</u>

- (1) Estimated annual debt service is shown and includes interest due on the Refunded Bonds being cross-over refunded by the Series 2017 Bonds through and including October 1, 2020, but excludes interest and principal due on the Refunded Bonds after October 1, 2020.
- (2) Debt service does not take into effect any potential Federal Direct Payments received by the County.
- (3) Interest on the Series 2017 Bonds through October 1, 2020 or an earlier Cross-Over Date will be paid from the amounts in the Trust Fund held by the Escrow Agent under the Escrow Deposit Agreement.

THE WATER AND WASTEWATER DIVISION

General

In 1991, the County combined its existing Water and Wastewater Systems, Solid Waste System and Stormwater Management System into one public utility. This utility, known as the Manatee County Public Utilities System (the "System" or "Public Utility System"), was established to maximize the utilization of personnel and resources and to enhance the health and safety of County residents. At this time, no revenues are derived from the operation of the Stormwater Management System.

Recognizing that at some future time it might benefit the County to combine other utility operations or public works enterprises into the Public Utilities System, the County reserved the right to do so. To date, however, no other such consolidations have taken place.

Background

The water and wastewater facilities of the Public Utilities System are administered by the Water and Wastewater Divisions of the Manatee County Utilities Department ("MCUD"), a department of the County government. In 1965, the County commenced acquisition and construction of a County-wide system to provide water for all unincorporated areas, and currently serves approximately 76% of the County population. As of September 30, 2017, the Water Division provided water service in portions of the incorporated and unincorporated areas of the County to 152,593 Equivalent Residential Connections ("ERCs"), representing approximately 119,872 meters (exclusive of irrigation, fire-line, and reclaimed water meters). An ERC relating to the Water Division's water service represents use of approximately 275 gallons of water per day ("GPD") per dwelling unit. The County also sells treated potable water on a wholesale basis to the cities of Bradenton and Palmetto, the Town of Longboat Key and Sarasota County.

The Wastewater Division's oldest wastewater treatment plant began operating in November 1974. The County's original wastewater collection system was completed in phases between 1974 and 1978. Prior thereto, wastewater treatment was provided by septic tanks and small, privately-owned treatment plants. All individual and privately-owned wastewater systems capable of being served by the Wastewater Division have been required to connect to the Wastewater Division's wastewater facilities. As of September 30, 2017, the Wastewater Division provided wastewater collection and treatment services in most of the developed areas of the County (excluding parts of the City of Bradenton and the City of Palmetto) to 141,259 ERC's, representing approximately 102,646 accounts. An ERC relating to the Wastewater Division's wastewater service represents use of approximately 240 gallons of wastewater disposal

per day per dwelling unit. The County also provides wastewater treatment service for the Town of Longboat Key and parts of the City of Bradenton.

**Historic Growth of Water and Wastewater Divisions Services
Number of Meters
(as of September 30)**

Year	Water	Percentage Growth	Wastewater	Percentage Growth
2017	119,872	2.8%	102,646	2.9%
2016	116,573	3.1	99,770	2.8
2015	113,042	5.1	97,084	2.5
2014	107,540	2.7	94,690	2.0
2013	104,679	0.7	92,791	2.1

Source: Manatee County, Florida.

Administration

The MCUD is managed by the County's Director of the Utilities Department, Mr. C. Michael Gore, who was appointed to this position effective July 2013. Mr. Gore began his career with Manatee County in April 1984, working in the Utilities Department's Water Division. In November 1998, Mr. Gore filled the role of Landfill Superintendent for the Solid Waste Division and in June 2009 he was promoted to Solid Waste Division Manager.

The Water and Wastewater Divisions' responsibilities for water supply and distribution, and wastewater collection and treatment, are managed separately by a water section manager and wastewater section manager.

The Water Division is managed by Mark Simpson, who holds the title of Water Division Manager. Mr. Simpson's received his Bachelor degrees in Chemistry and Biology from the University of South Florida, and has 35 years of experience in water treatment analysis, research and production.

The Wastewater Division is managed by Jeff Goodwin, who holds the title of Wastewater Division Manager. Mr. Goodwin holds a Bachelor of Science degree in Biology from Guilford College and has 20 years of experience in wastewater treatment analysis, regulation and research.

The Manatee County Utilities Operations are managed by Mr. Gus A. DiFonzo, the Deputy Director of Utility Operations. Mr. DiFonzo was promoted to this position in January 2009. The Operations Division includes the Solid Waste, Underground Maintenance and the Utilities Communications and Safety divisions. His past experience

with the County is centered in Solid Waste Administration and Management. Mr. DiFonzo received a Bachelor of Science degree in Education from Southern Benedictine College and joined the County in 1987.

The Manatee County Utilities Financial Services are managed by Ms. Heather Dilldine, who holds the title of Financial Services Manager. The Financial Services Division includes Fiscal Services, Business Services, Business Systems Support and the Utilities Record division. Ms. Dilldine holds a Bachelor's degree in Business Administration from the University of North Carolina and started with MCUD in February 2014.

Employees

As of September 30, 2017, the MCUD had 407 employees, of which 112 are involved in water service including treatment, distribution and meter services, 160 in wastewater treatment and disposal, 39 in solid waste operations including recycling and enforcement, 35 in operational support including utility records, underground, maintenance and warehouse, and 46 supporting customer service, billing and collections. The remaining 15 employees are senior management, fiscal staff and administrative positions. The employees of the MCUD are not represented by a labor union. Labor relations between the MCUD and its employees have been amicable.

The employees of the MCUD are covered by the State of Florida Retirement System Pension Plan (the "FRS Plan"), which is administered by the State. The State Constitution prohibits increasing benefits without concurrently providing for funding the increase on a sound actuarial basis. See "PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS - Florida Retirement System" herein for further information regarding the FRS Plan and the County's contribution.

Water Supply and Treatment Facilities

In Fiscal Year 2017, the average daily demand on the Water Division's water production facilities was 40.2 MGD and the maximum daily demand was 51.96 MGD. To meet this demand, the Water Division's primary water supply is obtained from a 1,800 acre reservoir on the Manatee River called Lake Manatee. A 50-foot-high clay-core earthen dam impounds an 18,100 acre-feet (5.9 billion gallons) storage pool at an elevation of 40 feet. Under drought conditions occurring with a 20-year frequency, the reservoir is capable of delivering 34.9 MGD while maintaining a minimum storage level of 21 feet. The County's water use permits will allow 34.9 MGD and 46.068 MGD to be withdrawn for average day and maximum per month, respectively, from the reservoir.

In addition to the primary water source at Lake Manatee, the County currently operates wellfields and an aquifer storage and recharge recovery system. The East County Wellfield is the Water Division's wellfield and is permitted for 19.086 MGD

average daily and 20.356 MGD maximum average per month. On May 24, 2016, a modification of the consolidated water use permit by the Southwest Florida Water Management District added 3.1 MGD to the daily average (to 19.086) to increase withdrawal flexibility. This additional 3.1 MGD was earned through provision of reclaimed water and subsequent retirement of other groundwater withdrawals under the Southwest Florida Water Management District's "Net Benefit" program. The 3.1 MGD can currently be used to replace surface water withdrawals when needed, but a permit condition allows it to be added to the total quantities when water use demands show the need. In addition, an auxiliary wellfield owned by IMC Fertilizer is permitted to provide 1.96 MGD average daily and 1.96 MGD maximum average per month to the County. These wellfields have been operational since 1993. The aquifer storage and recovery system (the "ASR") wells are used to inject treated drinking water into the Floridian Aquifer for storage during periods of low demand and high surface water flow. The ASR can supplement the plant if the surface water source is lost during maintenance work on the plant, periods of algae blooms, and/or dry periods. The County has a total of six ASR wells at the plant with a combined capacity of 10 MGD. The ASR is permitted to maintain up to three billion gallons in storage. This storage is allocated with 1.8 billion gallons for operational purposes and 1.2 billion gallons reserved for extended operation (prolonged drought or maintenance) or emergency use.

On September 25, 2012, the Southwest Florida Water Management District issued a twenty year consolidated water use permit that included the withdrawals discussed above from Lake Manatee and the East County Wellfield, and also included withdrawals from a future Buffalo Creek Wellfield (3.95 MGD) located north of the Manatee River. The availability of the additional 3.1 MGD from the East County Wellfield as explained above has delayed the need for the development of the Buffalo Creek Wellfield and Water Plant such that construction is not expected until 2030. When constructed it will further diversify water sources and provide a drought resistant supply source north of the Manatee River. The total permitted average annual withdrawal quantity on the consolidated permit is 54.836 MGD.

The total permitted withdrawal from all of the above water sources is 56.80 MGD average daily and 70.37 MGD maximum average per month. There is no restriction placed on maximum daily withdrawal. With the additional 3.1 MGD from the East County Wellfield, which will be available when needed to meet demands, the current permit for these facilities is projected to meet the Water Division's needs through 2036. The County has not been cited for a permit or regulatory violation during the last five years.

The Water Division's water treatment plant is located adjacent to the reservoir. The original plant was constructed in 1965, and in 1973 its capacity was expanded from 12 MGD to 30 MGD, to 54 MGD in 1982 and to 84 MGD in 1993. The plant treats both surface and ground water using pre-treatment facilities, sedimentation basins, high-rate

filters and clearwells. The Water Division also has six elevated storage tanks and seven ground storage facilities with an aggregate capacity of 32 million gallons.

Water produced by the Water Division from its surface supply receives conventional treatment (e.g., coagulation, sedimentation, filtration and chlorination). The ground water from the wellfield is softened, filtered, treated and chlorinated. The water currently meets all federal and state regulatory requirements. The County regularly monitors water quality in its own laboratory and comprehensively tests water annually using independent laboratories.

The following tables represent historic and projected water production for the County.

Historic Water Production
Billions of Gallons
(as of September 30)

<u>Fiscal Year</u>	<u>Water Produced</u>
2017	14.62
2016	14.21
2015	13.62
2014	13.52
2013	13.40
2012	13.66
2011	13.51
2010	13.32

Source: Manatee County, Florida.

Projected Water Production
Billions of Gallons
(as of September 30)

<u>Fiscal Year</u>	<u>Water Produced</u>
2022	15.79
2021	15.55
2020	15.31
2019	15.08
2018	14.85

Source: Manatee County, Florida.

In addition to the above projected water production through 2022, the Water Division planning to ensure sufficient capacity to meet daily demands and all contractually obligated wholesale contracts, estimates the following average daily needed capacity through 2035.

**Estimated Daily Water Demand
(through 2035)**

<u>Fiscal Year</u>	<u>Estimated Daily Water Demand</u>
2020	46.28 MGD
2025	44.05 MGD
2030	47.41 MGD
2035	51.51 MGD

Source: Manatee County, Florida.

Water Transmission and Distribution Facilities

The County's service area is approximately 35% of the geographic area of the County that is located west of Lake Manatee. The geographic area to the east of I-75 consists largely of rural agricultural lands that typically rely on private wells and septic systems. Two 36-inch, a 42/36-inch, and a 30-inch transmission main with accompanying pumping stations deliver water to the service area. Branching off from the 36-inch transmission mains are a 30-inch, a 20-inch, and a 12-inch main which each deliver water to Sarasota County. A 20-inch subaqueous transmission main across Sarasota Bay delivers water to Anna Maria Island and Longboat Key, and 16-inch, 24-inch and 30-inch transmissions main provide water service to the City of Palmetto and the service area north of the Manatee River. A 16-inch water line was constructed along Manatee Avenue which provides a secondary feed to the island communities of Anna Maria Island and Town of Longboat Key.

Within the retail service area, the transmission and distribution lines constructed by the County vary in size from 42-inches to a minimum of 2-inches. Most of these lines are ductile iron, ACP, PVC or cast iron pipe, which had an estimated useful life of 30 to 60 years when initially placed in service. Approximately 1,700 miles of pipe are recorded within the Water Division's water distribution facilities.

Currently, the Water Division continues to expand its facilities as growth occurs. Developers normally construct distribution facilities for subdivisions, then dedicate those facilities to the County. The County has, from time to time, paid its proportionate cost of constructing off-site improvements that connect new development to the County's water distribution facilities. The County is currently evaluating its facility investment fee for water (described in greater detail under the heading "THE WATER AND

WASTEWATER DIVISION - Facility Investment Fee" herein) to determine if it provides funds sufficient to accommodate the anticipated requests for County participation in such improvements. Occasionally, the subdivision systems remain private. These privately owned facilities typically consist of water distribution and pump stations owned by a property owners association or a community development district which connect the customers in the subdivision to the System. No Revenues or proceeds of Prior Bonds have been used to construct or maintain these privately owned facilities and the County has no legal responsibility to maintain or replace these privately owned facilities. Historically, the County has required the private water facilities to meet certain County standards and, if necessary, those facilities are improved at the owner's expense before the County will accept ownership of such facilities. While the County has not changed this practice, requests made by private systems are evaluated on a case-by-case basis. As such, the County may accept transfer of privately owned facilities and require the owners of such facilities to provide funds to cover a portion of the improvements as warranted by an engineering analysis. The County and its consultants have analyzed the cost of such policy change and determined that such change will not have a material adverse effect on the financial condition of the System or its ability to pay debt service on the Outstanding Bonds.

Water Supply Contracts

The County has contracted to supply treated water to Sarasota County, the Cities of Bradenton and Palmetto and the Town of Longboat Key. All moneys received by the County from these contracts are considered Revenues under the Resolution. The following is a summary of these contracts:

The County signed a 24-year contract with the Town of Longboat Key to supply all of the treated potable water which the Town uses for resale to its residents dated February 6, 2007 (the "LBK Water Agreement"). The LBK Water Agreement includes a ten year option to renew upon mutual written consent of the parties. The LBK Water Agreement provides that the County will reserve 2.50 MGD of capacity in the County's potable water system, which the Town of Longboat Key may increase subject to payment of the then current Facility Investment Fees associated with the additional capacity requirements. During the Fiscal Year 2017, the Town of Longboat Key utilized approximately 70% of its reserved water capacity on an average annual basis. The rate charged for water sold to the Town currently is \$1.81 per 1,000 gallons plus a monthly fixed charge of \$28,315. The County has the right to adjust rates annually under the LBK Water Agreement. In Fiscal Year 2017, the County received \$1,457,351 from the sale of water to the Town of Longboat Key.

On October 21, 2003, the County signed a contract to supply treated water to the Sarasota County Utility, acting through Sarasota County. This contract established a phase-out schedule, in which a current quantity of 8.0 MGD is reduced every five years, until the agreement expires on March 31, 2025 and Sarasota County no longer purchases

potable water from Manatee County. The phase-out schedule for reservation of water is as follows: (a) April 1, 2008 through March 31, 2015 - maximum daily reserve capacity of 8 MGD; (b) April 1, 2015 through March 31, 2020 - maximum daily reserve capacity of 6 MGD; (c) April 1, 2020 through March 31, 2025 - maximum daily reserve capacity of 5 MGD; and (d) after March 31, 2025 - maximum daily reserve capacity of 0 MGD. During the Fiscal Year 2017, Sarasota County Utility utilized approximately 71% (4.24 MGD) of its reserved water capacity on an average annual basis. The contract does not include specific rates, but references rates as established by the County pursuant to its rate resolutions. The rate currently charged is a monthly fixed charge of \$67,956, plus \$1.81 per 1,000 gallons for the water actually consumed up to 6.0 MGD. In Fiscal Year 2017, the County received \$3,547,737 from the sale of water to Sarasota County.

On December 11, 2012, the County entered into a contract with the City of Bradenton to supply potable water to specified areas of the City for a term of 20 years, with a ten year option to renew exercisable by either party. During the Fiscal Year 2017, the City of Bradenton utilized approximately 0.218 MGD of water capacity on an average annual basis. The rate currently charged, which may be adjusted by the County, consists of a monthly fixed charge of \$5,663, plus a volume charge of \$1.81 per 1,000 gallons. The contract may be terminated by either the City or the County upon payment of \$1,000,000 to the other party. In Fiscal Year 2017, the County received \$208,185 from the sale of water to the City of Bradenton.

On October 11, 2005, the County entered into a 14 year contract with the City of Palmetto (the "Palmetto Water Agreement") to provide potable water for the City of Palmetto. The Palmetto Water Agreement includes a ten year renewal option exercisable by either party. The Palmetto Water Agreement provides that the County will reserve 2.00 MGD of capacity in the County's potable water system, which the City of Palmetto may increase subject to payment of the then current Facility Investment Fees associated with the additional capacity requirements. During the Fiscal Year 2017, the City of Palmetto utilized approximately 74% of its reserved water capacity on an average annual basis. The rate currently charged, which may be adjusted by the County, consists of a monthly fixed charge of \$22,652, plus a volume charge of \$1.81 per 1,000 gallons. In Fiscal Year 2017, the County received \$1,230,551 from the sale of water to the City of Palmetto.

In addition to the aforementioned contracts, in 2011 and 2012 the County renewed the franchise agreements with the cities of Bradenton Beach, Anna Maria and Holmes Beach whereby the County received the exclusive right to supply water to the inhabitants of said cities. The franchise agreements, which have a remaining term of approximately 9 years, provide that the County shall bill the customers within such cities directly.

Wastewater Treatment

In 1975, the County completed construction of its southwest water reclamation facility (the "Southwest Water Reclamation Facility"), which currently is permitted to process 15.0 MGD of wastewater. The Southwest Water Reclamation Facility is located on a 300-acre site in the southwestern part of the County, about one-half mile from Sarasota Bay. The site provides a buffer between the treatment facilities and the surrounding residential area. The Southwest Water Reclamation Facility employs a Modified Ludzack-Ettinger (MLE) process with advanced secondary treatment provided by filtration and chlorination of the effluent. The effluent from the Southwest Water Reclamation Facility is discharged into the County's reclaimed water system which consists of reclaimed water storage, retention lakes and distribution facilities within the County, including a deep injection well for disposal of excess flow during periods of heavy and extended rainfall. The reclaimed water service area is identical to the wastewater system service area. Treated effluent is used for irrigation in a number of applications. Agricultural irrigation and sprayfields represent approximately 43% of the total usage while public access areas and landscape irrigation (golf course, residential and other public access areas) account for the remaining 57%.

In Fiscal Year 2017, the average daily flow to the Southwest Water Reclamation Facility site was 12.03 MGD. Treated effluent is delivered to the reclaimed water distribution system or storage ponds.

The Wastewater Division also includes two smaller subregional water reclamation facilities which serve the northern (the "North Regional Water Reclamation Facility") and southeastern (the "Southeast Water Reclamation Facility") areas of the County. These water reclamation facilities have permitted capacities of 7.5 MGD and 11.0 MGD, respectively.

In Fiscal Year 2017, the average daily flow to the Southeast Water Reclamation Facility was 8.39 MGD and the average daily flow to the North Regional Water Reclamation Facility was 3.12 MGD. Both water reclamation facilities employ an extended air-activated sludge form of secondary (biological) waste treatment. Preliminary treatment involves screening, grit removal and odor control (wet scrub). Secondary treatment includes anoxic zone, aeration zone, and clarification. The wastewater plants' effluent is filtered and chlorinated then delivered to the reclaimed water distribution system or to storage ponds.

Each of the County's water reclamation facilities is issued its own permit. The Southwest Water Reclamation Facility permit expires March 22, 2020. The Southeast Water Reclamation Facility permit expires November 15, 2025. The North Regional Water Reclamation Facility permit expires February 2, 2026. The County has only been cited for one violation within the last ten years. There was a protocol violation at the Southwest Water Reclamation Facility on September 17, 2008. This was resolved by

civil penalty December 23, 2009 for \$6,250. Payment of this penalty did not constitute an admission of liability. The MCUD has no reason to believe that each of its water reclamation facility operating permits will not be routinely renewed.

The Wastewater Division also operates a Biosolids Dryer facility that processes nearly 20,000 tons of solids residuals annually. Solids residuals are by-products of the wastewater treatment processes. Solids are treated to a Class AA standard, the highest quality achievable under the Federal Department of Environmental Protection ("FDEP") regulations. The pellets produced at the Dryer are marketed for use as fertilizer in agricultural operations. Both the Biosolids Dryer and the Southeast Plant are powered by a generator that is fueled by the gas generated at the County's Solid Waste Operations.

The County currently has a program to mitigate infiltration and inflow ("I/I") into the sewer collection system. The program includes extensive effort in the repair and replacement deficient sewer pipe and the sealing of manholes throughout the system.

On March 20, 1979, the Board adopted an ordinance providing that no subdivision or commercial development can obtain a construction permit unless the Director of the MCUD and the County Pollution Control Officer determine that there is sufficient capacity in the regional wastewater system to treat the additional wastewater flows from such subdivision or commercial development. The County's comprehensive plan, adopted in 1989, includes a similar requirement for new development in the County. If it is determined that sufficient capacity is not available in the regional wastewater system, then a subdivision or commercial development may construct an interim wastewater treatment plant. Any such interim wastewater treatment plant would be paid for by the developer and operated by the MCUD, and the interim wastewater treatment plant would be discontinued when sufficient capacity is available. New development may rely on septic systems only when (i) wastewater service is not "available" within the meaning of Florida Statute 381.0065, and (2) the property is exempted from connecting to the wastewater system under the limited circumstances allowed in the comprehensive plan. The County expects to meet all service needs from developers within its service area for the 2018-2022 capital improvement plan cycle. FDEP rules require the County to initiate plant expansion if the five year flow projection indicates a shortage of capacity. Master Plans for all three water reclamation facilities were completed in April 2017 and for the three wastewater service areas in late 2016/early 2017 by the County's Engineer of Record. The Master Plans provide information that is used to program capital improvement projects for up to twenty years in the future.

Wastewater Collection

Construction of most of the present wastewater collection facilities was completed in phases between 1974 and 1978. Subsequently, additional collection facilities were constructed through an EPA grant program, with construction taking place between 1983 through 1992.

Currently, the Wastewater Division continues to expand its facilities as growth occurs. Developers normally construct collection facilities for subdivisions, then dedicate those facilities to the County. The County has, from time to time, paid its proportionate cost of constructing off-site improvements that connect new development to the County's wastewater collection facilities. The County is currently evaluating its facility investment fee for wastewater (described in greater detail under the heading "THE WATER AND WASTEWATER DIVISION - Facility Investment Fee" herein) to determine if it provides funds sufficient to accommodate the anticipated requests for County participation in such improvements. Occasionally, the subdivision systems remain private. These privately owned facilities typically consist of wastewater collection lines and lift stations owned by a property owners association or a community development district which connect the customers in the subdivision to the System. No Revenues or proceeds of Prior Bonds have been used to construct or maintain these privately owned facilities and the County has no legal responsibility to maintain or replace these privately owned facilities. Historically, the County has required the private wastewater facilities to meet certain County standards and, if necessary, those facilities are improved at the owner's expense before the County will accept ownership of such facilities. While the County has not changed this practice, requests made by private systems are evaluated on a case-by-case basis. As such, the County may accept transfer of privately owned facilities and require the owners of such facilities to provide funds to cover a portion of the improvements as warranted by an engineering analysis. The County and its consultants have analyzed the cost of such policy change and determined that such change will not have a material adverse effect on the financial condition of the System or its ability to pay debt service on the Outstanding Bonds.

All of the force mains and interceptor lines constructed by the County are ductile iron or high density polyethylene pipe, which had an estimated useful life of 30 to 60 years when initially placed in service. All of the collector lines are polyvinyl chloride, vitrified clay pipe or ductile iron, which also had an estimated useful life of 30 to 60 years when initially placed in service. The collection facilities include close to 650 wastewater lift stations of which all but 15 are considered satellite lift stations. The remaining 15 stations are master pump stations with above ground buildings to house electrical and wet well/dry type pumping equipment arrangement including high level alarm systems and emergency generators. The Wastewater Division's collection system continues to grow at a rapid pace and many improvements have been and are being made, including enhanced remote monitoring of lift stations, a valve exercise program and a comprehensive evaluation of I&I affected areas.

Wastewater Treatment Contracts

The County has contracted to treat and dispose of the wastewater of the Town of Longboat Key and a portion of the wastewater of the City of Bradenton. All moneys

received by the County from these contracts are considered Revenues under the Resolution. The following is a summary of such contracts:

On November 17, 2009, the County entered into a 22 year contract with the Town of Longboat Key to treat all of the Town's wastewater (the "LBK Wastewater Agreement"). The LBK Wastewater Agreement includes a ten year option to renew by consent of both parties. The rate currently charged the Town of Longboat Key for wastewater treatment service consists of a monthly fixed charge of \$39,816, plus a volume charge of \$2.25 per 1,000 gallons for treated wastewater. The County has the right to adjust rates annually under the LBK Wastewater Agreement. In Fiscal Year 2017, the County received \$1,817,736 from the Town of Longboat Key for wastewater treatment.

On May 17, 1983, the County entered into a contract with the City of Bradenton whereby the City agreed to transmit County wastewater from Perico Island through its wastewater system and the County agreed to treat a portion of the City's wastewater. This contract expired May 17, 2013 and renewal/new contract was entered into on May 9, 2017. The County and the City have agreed to offset services provided to each other and to make net quarterly payments to the party which is owed money. The City, at its option, may also offset payments it is required to make to the County for its water supply to Perico Island against wastewater treatment it has supplied to the County.

In addition to the aforementioned contracts, in 2011 and 2012, the County entered into franchise agreements with the Cities of Bradenton Beach, Anna Maria Island and Holmes Beach whereby the County received the exclusive right to collect and treat wastewater in said cities. The franchise agreements, which have a remaining term of approximately 9 years, provide that the County shall bill the customers within the cities directly.

Mandatory Connections

The County has enacted an ordinance requiring mandatory connection to the Wastewater Division's wastewater facilities. A property owner is notified when wastewater service is available (within the meaning of Florida's public health regulations) and must connect within 120 days. The County also imposes restrictions on substances being discharged into the Wastewater Division's wastewater facilities through its federally mandated industrial pretreatment program. All industrial wastestreams are characterized and those dischargers meeting criteria outlined in the County Sewer Use Ordinance are issued permits that regulate pollutant levels received into the wastewater system.

Water and Wastewater Rates

The County rates for water and wastewater are set by the Board by resolution (the "Utility Rate Resolution") which, among other things, increased the water and wastewater rates effective April 1, 2017 and April 1, 2018. The water and wastewater rates consist of a fixed service charge and a volumetric charge for water consumed.

The following table outlines the adopted and historical rates for residential consumption of 6,000 and 10,000 gallons per month.

<u>Effective Date</u>	Historic Residential Rates⁽¹⁾					
	6,000 <u>Water</u>	10,000 <u>Water</u>	6,000 <u>Wastewater</u>	10,000 <u>Wastewater</u>	6,000 <u>Total</u>	10,000 <u>Total</u>
April 2018	\$23.13	\$34.53	\$52.72	\$72.84	\$75.85	\$107.37
April 2017	22.22	33.18	50.71	70.07	72.93	103.25
January 2016	21.37	31.91	48.75	67.36	70.12	99.27
January 2015	20.41	30.46	46.54	64.31	66.95	94.77
November 2012	19.48	29.08	44.43	61.39	63.91	90.47
November 2011	18.89	28.21	43.16	59.64	62.05	87.85
January 2011	18.36	27.40	41.90	57.90	60.26	85.30
October 2008	17.28	25.72	38.14	52.01	55.42	77.73
October 2007	16.46	24.50	34.97	47.69	51.43	72.19
October 2006	14.61	21.37	33.29	44.89	47.90	66.26
October 2005	14.17	20.73	32.33	43.59	46.50	64.32
October 2003	13.29	19.41	28.80	38.83	42.09	58.24

(1) Based on 6,000/10,000 gallons/month.
Source: Manatee County, Florida

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The following is a summary of certain existing Water Division rates of the County, all as contained in the Utility Rate Resolution.

Monthly Water Fixed Service Charge
Schedule of Monthly Water Division Rates for Service

	Existing	Effective April 2018
Individual Meters:		
Monthly Base Charges:		
Meter Size		
5/8"-3/4"	\$9.08	\$9.45
3/4"	12.29	12.78
1"	18.70	19.45
1-1/2"	34.75	36.14
2"	54.00	56.16
3"	98.91	102.87
4"	163.07	169.59
6"	323.48	336.42
8"	515.98	536.62
10"	740.55	770.17
12"	1,382.19	1,437.48
Residential Master Meters:		
Single-Family Residential	\$6.84/unit	\$7.11/unit
Condominium/Apartment/Hotel/Motel	\$4.88/unit	\$5.09/unit
Mobile Home Park/Travel Trailer Park	\$3.74/unit	\$3.89/unit
Combined residential Potable Water Line/Fire Line:		
Monthly Base Charges:		
Meter Size		
3/4"	\$9.08	\$9.45
1"	\$12.29	\$12.78
Large Users and Wholesale:		
Monthly Base Charges:		
Per 1,000,000 Gallons of Reserve Capacity	\$11,325.00	\$11,778.00

Source: Manatee County, Florida.

Monthly Wastewater Fixed Service Charge

The following is a summary of certain existing Wastewater Division rates of the County, all as contained in the Utility Rate Resolution.

Schedule of Monthly Wastewater Division Rates for Service

	Existing	Effective April 2018
Individual Meters:		
Monthly Base Charges:		
Meter Size		
5/8"-3/4"	\$21.67	\$22.54
3/4"	31.05	32.29
1"	49.74	51.73
1-1/2"	96.54	100.40
2"	152.67	158.78
3"	283.69	295.04
4"	470.85	489.68
6"	938.73	976.28
8"	1,500.21	1,560.22
10"	2,155.26	2,241.47
12"	4,026.82	4,187.89
Residential Master Meters:		
Single-Family Residential	\$19.56/unit	\$20.34/unit
Condominium/Apartment/Hotel/Motel	\$13.09/unit	\$13.61/unit
Mobile Home Park/Travel Trailer Park	\$10.46/unit	\$10.88/unit
Large Users and Wholesale⁽¹⁾:		
Monthly Base Charges:		
Per 1,000,000 Gallons of Reserved Capacity	\$17,617.00	\$18,322.00

Table continued on following page.

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Schedule of Monthly Wastewater Division Rates for Service (continued)

	<u>Existing</u>	<u>Effective April 2018</u>
Wastewater Temporary Use:		
Base Charges (Quarterly):		
3/4"	\$94.44	\$98.22
2"	458.04	476.37
 Unmetered Customers:		
Monthly Base Charges:		
Single-Family Residential	\$50.71	\$52.74
Commercial		
Class 1 & Single-Family (Assumed 6,000 Gallons)	\$50.71	\$52.74
Class 2 (Assumed 6,000 - 10,000 Gallons)	69.79	72.85
Class 3 (Assumed 10,000 - 25,000 Gallons)	115.80	120.44
Class 4 (Assumed 25,000 - 75,000 Gallons)	273.18	284.11
Class 5 (Assumed Greater than 75,000 Gallons)	534.00	555.36
Class 6 - Mobile Home/Trailer (Assumed 3,600 Gallons)	27.89/Unit	29.01/Unit
Class 7 - Condo /Apartment (Assumed 4,500 Gallons)	34.87/Unit	36.27/Unit
 Monthly Retail Quantity Rates:		
Wastewater Rates Per 1,000 Gallons		
Individually Metered	\$4.84	\$5.03
Wastewater Only	\$4.84	\$5.03
 Wholesale ⁽¹⁾		
Up to Daily Reserve Capacity	\$2.25	\$2.34
Excess Over Daily Capacity	\$4.51	\$4.69

⁽¹⁾ The County currently provides wholesale wastewater service to the Town of Longboat Key with a reserved capacity of 2.26 mgd.

Source: Manatee County, Florida.

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The following table is a summary of certain existing and adopted reclaimed water rates (such rates being considered as a component of the Wastewater Division) of the County.

Monthly Retail Reclaimed Quantity Rates:	<u>Existing</u>	<u>Effective April 2018</u>
Reclaimed Water Rates Per 1,000 Gallons		
Agricultural Facilities	\$0.10	\$0.11
Large Recreational Facilities	0.21	0.21
Government Facilities	0.34	0.36
Large Commercial, Industrial (Over 500,000 Gallons Per Day)	0.34	0.36
Residential and Commercial Common Areas	0.34	0.36
Master Metered Residential and Commercial	0.34	0.36
Individually Metered Residential and Commercial and Industrial	0.86	0.89

Source: Manatee County, Florida.

The following table outlines the single-family residential water and wastewater bills in the County and surrounding areas.

**Single-Family Residential Water and Wastewater Bills
in County and Surrounding Areas
(as of September 30, 2017)⁽¹⁾**

	Water		Wastewater		Total	
	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>	<u>6,000</u>	<u>10,000</u>
Manatee County	\$22.22	\$33.18	\$50.71	\$70.07	\$72.93	\$103.25
Sarasota County	31.99	48.81	60.13	90.29	92.12	139.10
Hillsborough County	35.69	55.21	40.52	49.42	76.21	104.63
Pinellas County	36.27	56.07	42.73	62.29	79.00	118.36
Charlotte County	50.86	72.82	60.59	78.99	111.45	151.81
City of Tampa	19.51	37.36	28.26	47.10	47.77	84.46
City of Bradenton	30.94	44.94	38.58	55.14	69.52	100.08
City of St. Petersburg	35.30	58.88	45.10	66.06	80.40	124.94

⁽¹⁾ Based on 6,000/10,000 gallons/month.
Source: Manatee County, Florida.

Water and Wastewater Connection Fees

The County has adopted the following connection fees for the initiation of water and wastewater service. The fees reflect the cost of a meter installation and the service connection (i.e., the connection or tap to the water main and the connection to the wastewater collection system). The monies collected through the water and wastewater

connection-related fees represent an operating revenue to the Public Utilities System (and are included as a component of Gross Revenue in the Resolution). Certain water and wastewater fees are summarized below.

Water Connection Fees		
Meter Size (in inches)	Minimum Cost Developer Installed	Minimum Cost County Installed
5/8 - 3/4	\$300.00	\$675.00
3/4	340.00	715.00
1	360.00	735.00
1-1/2	485.00	860.00
2	590.00	965.00
Greater than 2	Actual Cost	Actual Cost

Wastewater Connection Fees (Developed Properties with Metered Potable Water Service)	
Meter Size (in inches)	Line Connection Fee
Residential	\$3,500.00 per dwelling unit
5/8-3/4	3,500.00 per meter
3/4	4,000.00 per meter
1	6,000.00 per meter
1-1/2	11,000.00 per meter
2	17,000.00 per meter
3	22,000.00 per meter
4	34,000.00 per meter
6	44,000.00 per meter
8	68,000.00 per meter
10	78,000.00 per meter

Source: Manatee County, Florida.

Facility Investment Fee

The County has adopted Facility Investment Fees for water and wastewater which are established for the purpose of reimbursing the equitable share of the capital costs relating to the construction, expansion or equipping of excess capacity necessary to serve new users of the Water and Wastewater Divisions. However, at this time the Facility Investment Fees are not pledged as security for any Bonds issued under the Resolution and are not part of the Net Revenues under the Resolution. The County is currently evaluating its Facility Investment Fee for wastewater to determine if it provides funds

sufficient to accommodate anticipated costs of County participation in off-site improvements to connect new development to the County's wastewater collection facilities.

The table below summarizes certain County Facility Investment Fees.

<u>Meter Size (inches)</u>	<u>Water</u>	<u>Wastewater</u>
5/8" x 3/4"	\$ 1,970	\$ 3,027
3/4"	2,955	4,541
1"	4,925	7,568
1 1/2"	9,850	15,135
2"	15,760	24,216
3"	31,520	48,432
4"	49,250	75,675
6"	98,500	151,350
8"	157,600	242,160
10"	226,550	348,105
>10"	\$7.164/gallon per day	\$14.414/gallon per day

Source: Manatee County, Florida.

Collection Practices; Delinquencies

The County bills the customers of the Water and Wastewater Divisions on a monthly basis. Water and wastewater service is billed jointly by the County. The entire billing process is computerized. In the event of nonpayment of a bill by the next successive billing date, the policy of the County is to send written notice to water customers that service will be terminated to the extent permitted by law unless payment is made within the next succeeding fifteen-day period. If payment is not forthcoming at the end of that period, water service to the delinquent customer may be disconnected and the matter is subsequently given by the County to a collection agency.

At the end of Fiscal Years, 2016, 2015 and 2014, the over-60-day delinquent accounts receivable of the Water and Wastewater Divisions as a percentage of operating revenue was 1.16%, 2.35% and 1.47%, respectively. Historically, the County has collected over 90% of such delinquencies.

Regulation

The United States Environmental Protection Agency and the FDEP promulgate various regulations which are applicable to the operation of the Water and Wastewater Divisions. Regulations deal primarily with the quality of effluent discharged from the Wastewater Division's wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, the discharge of pollutants into the groundwater and the nature of waste material discharged into the collection facilities. Associated with the

regulations are various monitoring and reporting requirements. In addition, EPA and FDEP have also promulgated regulations in regard to grant moneys that have been received by the County for the planning, design and construction of various projects. The grant-related regulations touch upon a wide variety of matters, including planning, methodologies, design criteria, construction activities, and the operation, maintenance and financing of facilities.

All of the County's wastewater treatment plants are properly permitted. Since 2010 there have been only four permit violations related exclusively to unpermitted discharges. The discharges, due to severe wet weather and hurricanes, did not result in any regulatory enforcement actions. The County is not facing any EPA or FDEP mandated schedules for elimination of discharges, or any wastewater related administrative orders or consent decree decisions. The County is also in compliance with all grant-related regulations and requirements.

In addition to regulation of the wastewater treatment facilities, EPA and FDEP regulate the quality of the Water Division's water. The County is currently in compliance with all applicable regulations relating to water quality. The consumptive use of water is administered by the Southwest Florida Water Management District (the "District") through a permitting system, pursuant to which water resources are divided among the permitted consumers. At the present time, the County operates under a 20-year consolidated consumptive use permit issued by the District in 2012 which authorizes a combined average monthly withdrawal of 54.386 MGD and a maximum monthly withdrawal of 70.374 MGD for the reservoir, East County Wellfield and future Buffalo Creek Wellfield. Additionally, the County is permitted to withdraw 1.96 MGD average daily and 1.96 MGD maximum monthly from the IMC Fertilizer wellfield.

Current Five Year Capital Improvement Program

The County's adopted five year capital improvement program for water and wastewater calls for the expenditure of approximately \$237.6 million on the Water and Wastewater Divisions through Fiscal Year 2022. Of this amount, approximately \$65 million is to be funded with future debt proceeds. The remaining amount will be funded from Net Revenues and Facility Investment Fees on a "pay as you go" basis or from proceeds of additional debt if permitted under the Resolution. These improvements include line extensions, rehabilitation of existing facilities, a wastewater plant expansion, water supply and treatment expansion, a recharge well and other capacity improvements.

Capital Improvement Program Fiscal Years 2018 - 2022

SOURCES:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>TOTAL</u>
Debt Proceeds	\$39,875,200	\$15,783,800	\$ 8,690,000	-	-	\$ 64,349,000
Facility Investment Fees	7,876,000	517,875	2,907,000	\$ 1,400,000	\$ 1,400,000	14,100,875
Utility Rates	37,360,501	27,375,110	23,432,343	41,717,325	29,269,894	159,155,173
	<u>\$85,111,701</u>	<u>\$43,676,785</u>	<u>\$35,029,343</u>	<u>\$43,117,325</u>	<u>\$30,669,894</u>	<u>\$237,605,048</u>

USES:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>TOTAL</u>
Distribution/Collection System	\$ 7,540,600	\$ 945,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$11,785,600
Restore/Rehabilitation	13,284,901	19,597,735	17,791,157	21,342,080	15,239,894	87,255,767
Potable Water Supply	300,000	300,000	300,000	300,000	300,000	1,500,000
Transportation Related	145,000	700,000	1,142,546	1,109,000	2,000,000	5,096,546
Treatment	63,841,200	22,134,050	14,695,640	19,266,245	12,030,000	131,967,135
	<u>\$85,111,701</u>	<u>\$43,676,785</u>	<u>\$35,029,343</u>	<u>\$43,117,325</u>	<u>\$30,669,894</u>	<u>\$237,605,048</u>

Since the County's adoption of the above-described five year capital improvement program, investigations conducted as part of the Phase 2 Dam Repair project have indicated a need for a more substantial rehabilitation. While the County is still evaluating the most cost-effective method of implementing such repairs, the County anticipates that the cost of such repairs will not have a material adverse effect on the financial condition of the Public Utilities System or affect its ability to pay debt service on the Outstanding Bonds.

THE SOLID WASTE DIVISION

Background

The County is authorized to own and operate a solid waste disposal facility in accordance with the provisions of Section 403.087, Florida Statutes. The planning, design, operation, and maintenance of solid waste disposal facilities within the County is the responsibility of the MCUD Solid Waste Division.

Administration and Employees

The Solid Waste Division, as an integral part of the overall Public Utilities System, is overseen by the County's Director of the MCUD.

The Solid Waste Division's responsibilities include curbside collection for all solid waste within unincorporated Manatee County, collection, promotion and education for all recyclables generated within the unincorporated area of the County and management of all landfill operations inclusive of recycling of all special waste generated within the

entire County. Compliance with state statutes, permitting and environmental directives is also closely monitored to ensure that mandated requirements are constantly maintained. Responsibility for the planning and implementation of long-range solid waste management goals falls upon the MCUD Director, with the assistance of the MCUD Deputy Director and the Solid Waste Division Manager.

The Solid Waste Division is managed as an enterprise fund, self-supported through solid waste rate and fee revenues. The MCUD Business Operation Division oversees the data processing, billing, collection and other financial services for the Solid Waste Division. Bills are processed monthly, with receipts processed promptly. Solid waste charges are collected in the same manner as water and wastewater bills, via a combined invoice. Delinquent accounts are identified and delinquency notices are mailed after 45 days. Inactive delinquent accounts are pursued by the MCUD collection department and by collection agents for the County.

Existing Facilities

The Lena Road Landfill (the "Landfill") property is located near the intersection of I-75 and Hwy 64 on approximately 1,200 acres, of which 316 acres are permitted for actual landfill disposal. The remaining 914 acres was left in its natural state to provide a buffer for the landfill area. In 2008, existing facilities within the permitted disposal area were demolished. Construction of new facilities, including an administration building, operations building, equipment repair building and community drop-off center was completed the same year. In 2013, a public restroom facility was constructed for customer use. These new facilities are contiguous to the disposal area, reflecting a campus style design.

The County installed a methane gas burning 1.6 megawatt Caterpillar 3520C generator to offset electric power bills for the Southeast Regional Wastewater Reclamation Facility. This generator is powered by the methane gas collected from the well field located in the Lena Road Landfill. Construction started on April 29, 2013 and the generator went online producing power on December 15, 2013. The cost for this facility was approximately \$4,481,000. In June 2016, the waste disposal operations were moved from the Stage III area to the Stage II area (final stage) of the landfill. Prior to operating in the Stage II area of the landfill, stormwater, leachate, and soil management had to be designed, permitted and constructed. Additionally, to prepare for the transition, new perimeter fencing and pavement were installed around the Stage II area. The cost for the preparatory work for Stage II totaled approximately \$4,103,000 which were paid for by available moneys in the Public Utilities System.

The County has constructed a slurry wall around the 316 acre Landfill area which is used for leachate management. The slurry wall is a subsurface wall which follows the perimeter of the existing Landfill and extends downward to the aquiclude over the Floridian aquifer.

The County Landfill is being managed and operated in accordance with regulations established by the FDEP and consistent with the terms and conditions of FDEP operating and construction permits. The County also has outside contractors to manage special waste which is done primarily to divert the volume of material to be landfilled, thereby extending the life of the site.

The current operations permit for the landfill expires on March 24, 2036. There have been no citations, violations or consent orders regarding the operation of the landfill over the last five years.

The slurry walls, leachate collection system and stormwater management systems at the Landfill site are all relatively new and in good condition. The capacity of the landfill was estimated by the County's solid waste engineering consultant on March 8, 2017, to have a remaining capacity of 28.04 years.

Recycling

Part IV, Chapter 403, Florida Statutes, which is the Florida Resource Recovery and Management Act, among other things, requires the County, in the administration of its solid waste management and recycling programs, to provide reduction of the amount of solid waste generated within the County and the municipalities within its boundaries. The Florida Resource Recovery and Management Act establishes goals for the reduction of local government solid waste prior to the final disposal or incineration of such waste at a solid waste disposal facility.

The State of Florida has a recycling goal of 75% to be achieved by December 31, 2020. The goal was passed in the legislative session in 2010. The goal is to be achieved in increments, 40% by December 30, 2012, 50% by year end of 2014, 60% by year end 2016, 70% by year end 2018, and 75% at the end of 2020. Effective October 1, 2016, the County implemented single stream recycling collection. The County's recycling rate was 55% at the end of 2016.

Deposit to the Closure Trust Fund

Section 403.7125, Florida Statutes, requires the owner or operator of a landfill to ensure the availability of financial resources for the proper closure of a landfill. The County has established an escrow account into which have been and will be deposited sufficient moneys for closure of the Landfill in accordance with FDEP requirements. Although such closure reserves are treated as operating expenses for accounting purposes, pursuant to the Resolution they are specifically excluded from the definition of Operating Expenses of the Public Utilities System. Therefore, for purposes of the Resolution, transfers to this escrow account are made after the payment of debt service on the Series 2017 Bonds. The Public Utilities System currently makes a yearly contribution to the escrow account. Interest generated by the escrow account is retained in the fund

for use in closure operations. In Fiscal Year 2016, the amount on deposit in such escrow account, including interest, amounted to \$35,416,000.

Current Five Year Capital Improvement Program

The MCUD's current capital improvement program for solid waste calls for a total expenditure of approximately \$7.3 million over the five year period ending Fiscal Year 2022, expected to be funded annually from revenues derived from the operation of the Public Utilities System. The budgeted projects include a new operations storage building (\$558,000), construct phase II of the expansion of the gas electric facility (\$5 million) and an expansion of the gas collection system (\$1.8 million).

Franchise Agreements

In 2008, Manatee County entered into two franchise agreements with waste haulers, Waste Management Inc. of Florida and Waste Pro of Florida, Inc. (each an "Authorized Collector"). Each Authorized Collector has a contract for one part of the County which is split into two, roughly equal portions. The franchise agreements originally expired on September 30, 2016. However, the agreements provide for one additional term of seven years following a public hearing regarding such renewal by the Board which occurred on September 9, 2014 extending the franchise agreements to September 30, 2023.

The customer base of the Solid Waste Division consists of the population in the unincorporated areas of the County. Collection service is mandatory for both residential and commercial property.

Solid Waste Rates

The rates for solid waste collection and disposal services are set by the Board by Resolution (the "Solid Waste Rate Resolution"). The rates for solid waste collection service are based, in part, on the cost for solid waste collection service provided the Authorized Collectors pursuant to the franchise agreement in the specified collection service area. With respect to the residential solid waste collection rates, the County bills the customer for the collection of trash and yard waste/ recyclable materials (if an applicable service required by the customer), cost of disposal, and a franchise fee. The County remits to the Authorized Collector the cost of collection at a unit cost or amount as initially delineated in the franchise agreement (which is annually adjusted for certain inflationary allowances) and retains the remainder of the fee charged. The County has initiated a review of the current solid waste collection and disposal rates and anticipates the need for additional rate adjustments over the next several years to offset continued inflation of the cost of operations and maintenance, such as contracted collection expenses, operating supplies, utility and other expenses.

Hauling Fee and Other Revenues

Revenue sources for the Solid Waste Division include the tipping fee which is charged for all tonnage entering the Landfill that is not covered by the franchise agreements. This includes the island communities of Holmes Beach, Bradenton Beach, Anna Maria Island and Town of Longboat Key, the Cities of Bradenton and Palmetto, Trailer Estates and other local businesses that bring materials directly to the Landfill.

The customer base of the Landfill consists of the population in the unincorporated and incorporated areas of the County. Customer rate revenue is the largest revenue source. A portion of residential and commercial customer rates represent revenue to offset landfill and recycling costs, and billing and administrative costs.

The haulers rate is subject to an annual review, with adjustments made on that basis. The current hauling and tipping fee costs for a single family customer with twice-a-week garbage service, including once-a-week separate collection of yard waste and recyclable materials is \$13.61 a month.

Also, solid waste application, decal and tipping fees administrative fees are charged to the private haulers for the cost of billing and collection. Permit fees are charged to businesses that choose to haul their own refuse, such as lawn care businesses, within unincorporated County. In addition, interest is earned on fund balances.

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The following presents historic tipping fee rates.

Historic Tipping Fee/Ton Rates

<u>Fiscal Year</u>	<u>Fee Portion</u>
2016	\$40.00
2015	40.00
2014	36.00
2013	36.00
2012	36.00
2011	36.00
2010	36.00
2009	36.00
2008	36.00
2007	33.00
2006	33.00
2005	28.00

Source: Manatee County, Florida.

The table on the next page represents the Solid Waste Tipping Fee comparison.

**Manatee County
Solid Waste Tipping Fee Comparison
(as of September 30, 2017)**

LANDFILL TIPPING FEES

Manatee County		
Autos		\$5.00/Min.
All Other Vehicles		
In-County		\$40.00/Ton
Out-of-County		\$120.00/Ton
Const. & Demolition Debris		
In-County		\$61.00/Ton
Out-of-county		\$183.00/Ton
Tires		\$86.00/Ton
Lee County		
Standard Waste		
In-County		\$37.45/Ton
Out-of-County		Not Accepted
Construction & Demolition Debris		
In-County		\$31.75/Ton
Tires		\$80.00/Ton
Sarasota County		
Standard Waste		
In-County		\$57.56/Ton
Out-of-County		Not Accepted
Construction & Demolition Debris		
In-County		\$48.96/Ton
Tires		\$158.60/Ton
Charlotte County		
Standard Waste/Construction & Demolition Debris		
In-County		\$36.00/Ton
Out-of-County		\$72.00/Ton
Tires		\$115.00/Ton
DeSoto County		
Standard Waste/Construction & Demolition Debris		
In-County		\$42.00/Ton
Out-of-County		\$84.00/Ton
Tires		\$200.00/Ton
Hillsborough County		
Standard Waste/Construction & Demolition Debris		
In-County		\$61.81/Ton
Out-of-County		Not Accepted
Tires		\$71.50/Ton
Pinellas County		
Standard Waste/Construction & Demolition Debris		
Passenger Car		\$2.00 per load
Pickup Trucks		\$10.00 per load
In-county		\$37.50/Ton
Out-of-county		Not accepted
Tires		\$37.50/Ton

Source: Manatee County, Florida.

THE STORMWATER MANAGEMENT SYSTEM

At this time, the County does not receive any fee revenues from the operation of its Stormwater Management System. The operation and maintenance expenses are charged against the Public Utilities System and funded by revenues from the Public Utilities System and the Transportation Trust Fund and Gas Taxes.

Background

The County has created a Stormwater Management System in order to meet current Federal and State regulations for stormwater discharge. Pursuant to its Comprehensive Plan, the County identified the need to reduce flooding and improve surface water quality in the County.

Administration

The Stormwater Management System is jointly managed by the Manatee County Public Works and the Parks and Natural Resources Departments.

Existing Facilities

The Stormwater Management System consists primarily of 990 miles of open ditches and canals. Maintenance is limited primarily to controlling vegetation and removing sediments. Off-road drainage ditches and canals are typically inspected on a monthly basis. Aquatic maintenance is scheduled a minimum of twice per year. In 2017, 200,706 linear feet of roadside ditches were maintained; 54,452 linear feet of off-road canals and ditches were maintained; 956.3 acres of ponds, ditches, and other drainage features were sprayed; 70,266 linear feet of vegetation was cleared; 1,530 inlets were cleared; and 169,060 linear feet of pipes were flushed.

Service Area

The County has the primary responsibility for stormwater management within the unincorporated areas of the County, with the various municipalities having responsibility for stormwater management within their corporate limits. The current capital improvement program for the County, as more fully described herein, calls for enhanced stormwater services in the unincorporated areas of the County.

The County is pursuing a basin-by-basin planning effort in recognition of requirements of the federal National Pollutant Discharge Elimination System ("NPDES") programs, rather than a more limited approach which deals only with drainage and flood control. Basin by basin planning addresses water quality, as well as drainage and flood control issues. Basin-by-basin planning also takes into account topographic and hydrogeologic features of the area wherever possible, in order to restore or create

wetlands, for both stormwater purposes and for the infiltration of such waters to recharge aquifers.

Regulations

Stormwater quality discharge is regulated by the EPA through its NPDES permit process, the DEP and the State Water Management Districts. The regulations establish NPDES permit application requirements for stormwater discharges from industrial activities and governmental storm wastewater systems serving populations of 100,000 or more. The County's current NPDES MS4 Intent to Issue permit was issued on January 1, 2013 and is valid for a period of five years from the date of issuance. The current MS4 permit remains in administrative effect until renewal permits are issued. The County is currently seeking renewal of this permit and is not aware of any reason why such permit would not be issued. The County has an approved Stormwater Monitoring Program for this permit and has fully implemented the Stormwater Management Program. There have been no violations or citations associated with this permit.

Comprehensive Plan

In 1985, the Florida Legislature enacted the Local Government Comprehensive Planning and Land Development Regulation Act (the "Planning Act"). The Planning Act required all local governments to develop comprehensive plans designed to plan for and control the impact of growth. As applied to the County, the local plan includes the following elements: (i) future land use; (ii) transportation; (iii) utilities; (iv) economic development; (v) housing; (vi) historic preservation; (vii) conservation; (viii) recreation and open space; (ix) intergovernmental coordination; and (x) capital improvements (the "Comprehensive Plan").

Currently, the Water, Wastewater and Solid Waste Divisions are in compliance with adopted levels of service identified in the Comprehensive Plan. Therefore, future development should not be impeded. The Stormwater Management Division has some deficiencies in certain areas of the County but the County anticipates that all deficiencies will be corrected in accordance with the Comprehensive Plan. New residential or commercial development within the County will only be allowed if the new development meets the stormwater level of service standards set forth in the Comprehensive Plan and does not impact existing, publicly maintained drainage systems.

Current Five Year Capital Improvement Program

There are three capital improvement projects scheduled for Fiscal Years 2018 through 2022. The three projects total \$1,610,000 and include: GT Bray Drainage Pipe (\$900,000), Pipe Lining in Specific Neighborhoods (\$300,000) and Stormwater Pipe Replacement – Countywide (\$410,000). In addition to the completed basin studies, there are a few basin studies in progress. The results of the basin studies have been utilized to

reinforce the County's development regulation for new developments within the study area. The restricted development requirements, in conjunction with the County's proactive maintenance program has resulted in a significant reduction in flooding problems compared to flooding in mid-1990's.

The operating budget for the Stormwater fund is \$7,457,091 for Fiscal Year 2018. The Stormwater fund receives most of its revenues from the consolidated Public Utilities System. In addition to the Stormwater fund, there are other funding sources used for the Stormwater Management System, including \$1,114,344 from the Transportation Trust Fund and \$1,003,511 in the Fifth & Sixth Cent Gas Tax fund for stormwater-related activities in the adopted Fiscal Year 2018 budget.

Revenues and Expenses

The County does not currently charge a stormwater management fee to the residents of the County.

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HISTORIC OPERATING RESULTS OF SYSTEM

The table below sets forth a summary of the historic operating results of the County's Water, Wastewater, Solid Waste and Stormwater Management Divisions for each of the five Fiscal Years ended September 30, 2012 through September 30, 2016. Presently, the Stormwater Management Division does not generate revenues. The coverage ratios contained in the table are for general information purposes only.

Summary of Historical System Operating Results and Debt Coverage⁽¹⁾

Description	Historical Fiscal Year Ended September 30,				
	2012	2013	2014 ⁽¹¹⁾	2015	2016
Charges for Services	\$137,419,000	\$140,781,000	\$143,505,000	\$150,415,000	\$162,432,000
Miscellaneous Revenues & Interest Income ⁽²⁾	1,530,000	1,062,000	2,181,000	3,311,000	5,831,000
Total Gross Revenues	\$138,949,000	\$141,843,000	\$145,686,000	\$153,726,000	\$168,263,000
Total Operating Expenses ⁽³⁾	\$ 94,349,000	\$ 95,356,000	\$104,907,000	\$109,517,000	\$116,682,000
Net Revenues	\$ 44,600,000	\$ 46,487,000	\$ 40,779,000	\$ 44,209,000	\$ 51,581,000
Net Revenue Ratio	32.10%	32.77%	27.99%	28.76%	30.65%
Federal Direct Payments ⁽⁴⁾	1,722,000	1,970,000	1,752,000	1,750,000	1,759,000
Net Revenues Adjusted for Federal Direct Payment	\$ 46,322,000	\$ 48,457,000	\$ 42,531,000	\$ 45,959,000	\$ 53,340,000
Outstanding Bonds:					
Annual Debt Service Requirement	\$ 20,647,118	\$ 20,855,028	\$ 14,445,284	\$ 15,752,076	\$ 17,519,686
Calculated Coverage	2.24	2.32	2.94	2.92	3.05
Required Coverage	1.15	1.15	1.15	1.15	1.15
Subordinate Obligations: ⁽⁵⁾					
Net Revenues after Outstanding Bonds Payments	\$ 25,674,882	\$ 27,601,972	\$ 28,085,716	\$ 30,206,924	\$ 35,820,314
Subordinate Obligations Debt Service Requirement					
State Revolving Loan Fund	\$ 707,355	\$ 707,355	\$ 707,355	-	-
Calculated Coverage	36.30	39.02	39.71	-	-
Required Coverage	1.15	1.15	1.15	-	-
Net Available for Other Required Transfers ⁽⁶⁾	\$ 24,967,527	\$ 26,894,617	\$ 27,378,361	\$ 30,206,924	\$ 35,820,314
Other Required Transfers:					
Debt Service Reserve Account ⁽⁷⁾	-	-	-	-	-
Other Allocated Debt - Series 2013 Bonds ⁽⁸⁾	-	\$ 77,294	\$ 77,370	\$ 357,564	\$ 341,832
Net Available for Capital Improvement Fund Transfer ⁽⁹⁾	\$ 24,967,527	\$ 26,817,323	\$ 27,300,991	\$ 29,849,360	\$ 35,478,482
System Facility Investment Fees	7,276,902	12,614,743	11,970,936	13,951,254	16,814,507
Total Available for Other System Purposes ⁽¹⁰⁾	\$ 32,244,428	\$ 39,432,066	\$ 39,271,927	\$ 43,800,614	\$ 52,292,989

⁽¹⁾ Amounts shown derived from audited financial statements and reflect historical financial operating results.

⁽²⁾ Amounts shown do not include interest income earned on balances in the Restricted Construction Fund(s) (earnings restricted to such account by resolution or law), or any unrealized gain or loss on the fair market adjustment of investments (to recognize realized earnings).

⁽³⁾ Amounts shown do not include depreciation or amortization expenses pursuant to the Resolution.

⁽⁴⁾ Amounts shown include Federal Direct Payments received from the federal government associated with the issuance of the Series 2010 Bonds; for the purposes of determining compliance with the rate covenant required by the Resolution, the Federal Direct Payments are included as a component of Net Revenue.

⁽⁵⁾ The County has secured a low-interest loan through the State Revolving Loan Fund Program. Pursuant to the Loan Agreement, the County has pledged the Net Revenues, net of any parity bonds debt service payments. Subsequent to September 30, 2014, the loan was repaid in its entirety.

⁽⁶⁾ Amount represents the available Net Revenue after the payment of the Annual Debt Service Requirement and the loan repayment of the Subordinate Obligation.

⁽⁷⁾ The Debt Service Reserve Account on the Outstanding Bonds are secured by a cash funded reserve from proceeds of such Bonds at the time of issue or a Reserve Account Credit Facility Substitute equal to the applicable Debt Service Reserve Requirement for each series of Outstanding Bonds; therefore, no additional required transfers are reflected during the Historical Period.

⁽⁸⁾ Represents allocated debt service payments on the \$79,640,000 in Revenue Refunding and Improvement Bonds, Series 2013 (the "County 2013 Bonds") which are secured from County non-ad valorem revenues of the General Fund which a portion was attributable to funding certain Solid Waste System projects (from the proceeds of the original issue which was recently refunded). Since the County budgets and allocates a portion of the debt service on the County 2013 Bonds to the Solid Waste System, such amounts were considered as a required transfer for the purposes of presentation of the historical system operating results and rate covenant compliance with the provisions of the Resolution.

⁽⁹⁾ Pursuant to the Resolution, all available revenue after payment of Operating Expenses, deposits, if any, to the Rate Stabilization Fund, satisfy the Annual Debt Service Requirement on all Bonds, and required transfers shall be deposited into the Capital Improvement Fund for the benefit of the Public Utilities System. Generally, this account is used by the County to fund ongoing capital expenditures that are not funded by Public Utilities System debt and other funding obligations of the Public Utilities System.

⁽¹⁰⁾ Amounts shown are prior to annual transfers of \$2,945,142 for watershed management protection (e.g., conservation land acquisition) to the General Fund.

⁽¹¹⁾ Fiscal year 2014 expenses have been restated due to the implementation of GASB 68. Fiscal year 2013 and prior have not been restated.

Source: Manatee County, Florida.

UNAUDITED PRO FORMA OPERATING RESULTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

The table below sets forth an unaudited pro forma summary of the operating results of the County's Water, Wastewater, Solid Waste and Stormwater Management Divisions for the Fiscal Year ended September 30, 2017. Presently, the Stormwater Management Division does not generate revenues. The coverage ratios contained in the table are for general information purposes only. **OPERATING EXPENSES DO NOT INCLUDE PENSION ADJUSTMENTS NOT AVAILABLE AT THE TIME OF PUBLICATION. HISTORICALLY, SUCH ADJUSTMENTS WERE MATERIAL.**

Summary of Unaudited Pro Forma System Operating Results and Debt Coverage⁽¹⁾	
Charges for Services	\$172,437,000
Miscellaneous Revenues & Interest Income ⁽²⁾	4,869,000
Total Gross Revenues	\$177,306,000
Total Operating Expenses ⁽³⁾	\$112,475,000
Net Revenues	\$ 64,831,000
Net Revenue Ratio	36.56%
Federal Direct Payments ⁽⁴⁾	1,757,000
Net Revenues Adjusted for Federal Direct Payment	\$ 66,588,000
Outstanding Bonds:	
Annual Debt Service Requirement	\$ 17,343,066
Calculated Coverage	3.84
Required Coverage	1.15
Subordinate Obligations: ⁽⁵⁾	
Net Revenues after Outstanding Bonds Payments	\$ 49,244,934
Subordinate Obligations Debt Service Requirement	
State Revolving Loan Fund	\$ -
Calculated Coverage	-
Required Coverage	-
Net Available for Other Required Transfers ⁽⁶⁾	\$ 49,244,934
Other Required Transfers:	
Debt Service Reserve Account ⁽⁷⁾	-
Other Allocated Debt - Series 2013 Bonds ⁽⁸⁾	\$ 341,952
Net Available for Capital Improvement Fund Transfer ⁽⁹⁾	\$ 48,902,982
System Facility Investment Fees	16,477,124
Total Available for Other System Purposes ⁽¹⁰⁾	\$ 65,380,106

⁽¹⁾ Amounts shown derived from unaudited financial statements and reflect financial operating results.

⁽²⁾ Amounts shown do not include interest income earned on balances in the Restricted Construction Fund(s) (earnings restricted to such account by resolution or law), or any unrealized gain or loss on the fair market adjustment of investments (to recognize realized earnings).

⁽³⁾ Amounts shown do not include depreciation or amortization expenses pursuant to the Resolution, or pension liability adjustments not available at time of publication.

⁽⁴⁾ Amounts shown include Federal Direct Payments received from the federal government associated with the issuance of the Series 2010 Bonds; for the purposes of determining compliance with the rate covenant required by the Resolution, the Federal Direct Payments are included as a component of Net Revenue.

⁽⁵⁾ The County has secured a low-interest loan through the State Revolving Loan Fund Program. Pursuant to the Loan Agreement, the County has pledged the Net Revenues, net of any parity bonds debt service payments. Subsequent to September 30, 2014, the loan was repaid in its entirety.

⁽⁶⁾ Amount represents the available Net Revenue after the payment of the Annual Debt Service Requirement and the loan repayment of the Subordinate Obligation.

⁽⁷⁾ The Debt Service Reserve Account on the Outstanding Bonds are secured by a cash funded reserve from proceeds of such Bonds at the time of issue or a Reserve Account Credit Facility Substitute equal to the applicable Debt Service Reserve Requirement for each series of Outstanding Bonds; therefore, no additional required transfers are reflected during the Historical Period.

⁽⁸⁾ Represents allocated debt service payments on the \$79,640,000 in Revenue Refunding and Improvement Bonds, Series 2013 (the "County 2013 Bonds") which are secured from County non-ad valorem revenues of the General Fund which a portion was attributable to funding certain Solid Waste System projects (from the proceeds of the original issue which was recently refunded). Since the County budgets and allocates a portion of the debt service on the County 2013 Bonds to the Solid Waste System, such amounts were considered as a required transfer for the purposes of presentation of the historical system operating results and rate covenant compliance with the provisions of the Resolution.

⁽⁹⁾ Pursuant to the Resolution, all available revenue after payment of Operating Expenses, deposits, if any, to the Rate Stabilization Fund, satisfy the Annual Debt Service Requirement on all Bonds, and required transfers shall be deposited into the Capital Improvement Fund for the benefit of the Public Utilities System. Generally, this account is used by the County to fund ongoing capital expenditures that are not funded by Public Utilities System debt and other funding obligations of the Public Utilities System.

⁽¹⁰⁾ Amounts shown are prior to annual transfers of \$2,945,142 for watershed management protection (e.g., conservation land acquisition) to the General Fund.

Source: Manatee County, Florida.

RISK FACTORS

The future financial condition of the Public Utilities System could be affected adversely by, among other things, legislation, environmental and other regulatory actions, changes in demand for services, economic conditions, demographic changes, natural disasters, litigation and other events. The Public Utilities System is subject to regulation and control by numerous federal, state and local governmental agencies. The County cannot predict future policies such agencies may adopt. Future changes could result in the County having to discontinue operations at certain facilities or to make unanticipated and significant capital expenditures and could involve litigation.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

Florida Retirement System

The information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Annual Reports available at: dms.myflorida.com and the Florida Comprehensive Annual Financial Reports available at: myfloridacfo.com/aadir/statewide_financial_reporting. No representation is made by the County as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

Substantially all full-time employees of the County are covered by the FRS Plan, a multiple-employer, cost-sharing, public retirement system administered by the Florida Department of Administration, Division of Retirement. Beginning in 2002, the FRS became one system with two primary plans; a defined benefit pension plan (the "FRS Pension Plan") and a defined contribution plan alternative to the defined benefit plan known as the Public Employee Optional Retirement Program (the "FRS Investment Plan") to provide retirement, disability, and death benefits for active members, retirees, surviving beneficiaries, and deferred retirement option program participants. Benefits under the FRS are established by Chapter 121, Florida Statutes, and Chapter 605, Florida Administrative Code. As a general rule, membership in the FRS is compulsory for all employees working in a regular, established position for a state agency, county government, district school board, state university, community college or a participating city or special district within the State of Florida. Benefits are computed on the basis of age, average final compensation, and service credit. Employees are classified in either the regular service class or the senior management service class for members who fill senior-level management positions. In addition, the FRS administers a deferred retirement option program ("DROP") which allows eligible employees to defer receipt of monthly retirement benefit payments, while continuing employment with an FRS

employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

The most current FRS Annual Report stated that as of June 30, 2016, the market value of assets for the FRS Pension Plan was approximately \$141.3 billion. This reflects a 0.54% annualized investment return. The fiduciary net position as of June 30, 2016, was \$141.8 billion, a 4.50% decrease over the previous year. As of July 1, 2016, the date of the last actuarial valuation, the FRS Pension Plan was 85.4% funded on a valuation funding basis and 84.9% funded on a Governmental Accounting Standards Board Statement No. 67, reporting basis.

The County has no responsibility to the FRS other than to make the periodic payments required by Florida Statutes. Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature.

For the Fiscal Years ended September 30, 2016 and 2015 the County's actual contributions to the FRS totaled \$22,633,000 and \$20,533,000, respectively, which were equal to the required actuarially determined contributions for such Fiscal Years.

Prior to the spring 2011 legislative session, the FRS was noncontributory for members. However, as of July 1, 2011, Chapter 2011-68 of the Laws of Florida requires members of the FRS not enrolled in DROP to contribute 3% of their salary to the FRS in order to reduce employers' required contributions. County employee contributions were \$4,836,000 and \$4,538,000 for the Fiscal Years ended September 30, 2016 and 2015, respectively.

The component of the collective net pension liability of the County for Fiscal Year 2016 and Fiscal Year 2015 are shown in the following table:

Fiscal Year	FRS	HIS	Total
2016	\$189,859,000	\$64,886,000	\$254,745,000
2015	\$ 88,323,000	\$54,264,000	\$142,587,000

The net pension liability as of September 30, 2016 and September 30, 2015 was determined by an actuarial valuation as of June 30, 2016 and June 30, 2015, respectively. The increase in FRS and HIS contributions between Fiscal Years 2015 and 2016 was primarily attributable to an increase in salaries for all County employees. The increase in FRS and HIS net pension liability between Fiscal Years 2015 and 2016 was primarily attributable to the difference between the assumed rate of return on investments and the actual rate of return.

At September 30, 2016, the County's proportion of the FRS was 0.751912753%, which was an increase of 0.068097746% from its proportion measured as of September 30, 2015. At September 30, 2016, the County's proportion of the HIS was 0.556744125%, which was an increase of 0.024661841% from its proportion measured as of September 30, 2015.

For the Fiscal Years ended September 30, 2016 and 2015, the County recognized pension expense of approximately \$36,279,000 and \$10,746,000, respectively.

See Note 8 of the "AUDITED FINANCIAL STATEMENTS RELATING TO THE PUBLIC UTILITIES SYSTEM FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016" attached hereto as Appendix B for further information regarding the FRS and the retirement plans available to the employees of the County.

The State of Florida issues a publicly available financial report that includes financial statements, required supplementary information for the FRS and other information including historical data regarding funding progress and actuarial values and liabilities. The most recent available report for the plan year ended June 30, 2016 may be obtained by writing the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000 or by accessing their website at http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

Other Post-Employment Benefits

Of the total compensation offered to attract and retain qualified employees, some benefits, such as salaries and active employee health care, are received when the employees are in active service. Other elements of the compensation package are received after retirement, when the employees' active services have ended. Many state and local governments, including the County, provide retirees with pension benefits and separate Other Post-Employment Benefits ("OPEB") such as medical and nominal life insurance.

The Board is the Plan Sponsor of the Manatee County Government's medical plan (the "Plan") which is applicable to employees and retirees of the Board. The Plan is also applicable to the Clerk of the Circuit Court, Manatee County Sheriff Office, Manatee Tax Collector, Manatee Supervisor of Elections, and Manatee Property Appraiser (the "Constitutional Officers").

In accordance with Section 112.0801, Florida Statutes, because the County provides a medical plan to employees of the County and their eligible dependents, the County is also required to provide retirees with the opportunity to participate in this group employee health plan. Although not required by Florida law, the County has opted to pay a portion of the cost of such participation for eligible retired County employees.

This post-retirement benefit plan provides healthcare benefits including medical coverage and prescription drug benefits to eligible retired employees and their dependents, and \$1,000 of life insurance to eligible retired employees.

Eligibility for retirees' participation in the Plan is limited to full time employees of the County and all Constitutional Officers who are active participants in the Plan at the time of retirement, and who retire and are either vested with the Florida Retirement System ("FRS"), are vested in the FRS and are age 62, have 30 years of creditable service before age 62, or meet alternative criteria if disabled or a member of a Special Risk Class. Surviving spouses or dependents of participating retirees may continue in the Plan if eligibility criteria are met.

While Florida law requires that retirees be permitted to participate in the same health insurance plans as active employees, retirees can be required to pay a higher percentage (up to 100%) of the annual medical premium cost for active employees. Currently the County contributes monthly premium assistance, determined on an annual basis, for employees retiring after ten years of service. Additional premium assistance is provided to participants aged 65 and over that enroll in Medicare Part B. Retirees and spouses over age 65 enrolled in Medicare Part A and B may elect to remain in the County's Plan, or enroll in a Medicare Supplement and Part D Prescription Drug program through an outside provider. The premium assistance amount can be changed by the County at any time, with 30 days written notice to participating retirees. Under the current Plan, for employees hired after September 30, 2005, participation by retirees and their dependents in the County Plan and subsidization of the premium rate for retirees will be limited to that required by law.

The County implemented compliance with the Governmental Accounting Standards Board's Statement No. 45 - Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans other than Pension Plans ("GASB 45") in its fiscal year ending September 30, 2008. While GASB 45 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded. The OPEB disclosure information provides information useful in assessing future cash flow requirements.

The actuarially determined components as of October 1, 2016 for the fiscal year ended September 30, 2016, of the County's unfunded annual OPEB cost, the contributions to the Plan, and the changes in the County's Net OPEB Obligation ("NOO") for the current Plan provisions were:

<u>Contributions and Changes in County's NOO</u>	Dollar amounts expressed in thousands
Annual Required Contribution (ARC)	\$3,120
Plus interest on net OPEB Contributions	3,029
Less NOO Amortization	<u>(4,281)</u>
Annual OPEB Cost (AOC)	1,868
Contributions made, net	<u>(2,939)</u>
Decrease in net OPEB Obligation	(1,071)
Net OPEB obligation, beginning of year	<u>86,535</u>
Net OPEB obligation, ending of year	<u><u>\$85,464</u></u>

Source: Manatee County, Florida Finance Department.

At September 30, 2016, the accrued actuarial liability for benefits was \$38.8 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$156.4 million, and the ratio of the unfunded actuarial liability to covered payroll was 24.80%. Even though the County has not authorized a qualifying trust or agency fund (as defined under GASB 45) to fund the liability, the County has been reserving funds in its annual budget, to accumulate and use to offset a portion of the liability. At September 30, 2016, this restricted cash totaled \$10.6 million, primarily from fund transfers, but also including related interest earnings. It is expected that recording of annual expenses and related cash flow will continue to be manageable.

INVESTMENT POLICY

The County's investments must conform to the provisions of Florida statutory law as amended from time to time. The Board establishes the overall investment policies, and has delegated to Angelina "Angel" Coloneso, Clerk of the Circuit Court and Comptroller, as Clerk to the Board of County Commissioners, acting in the capacity of Chief Financial Officer of the Board, the responsibility of implementing such policies.

The County is permitted to invest in the Local Government Surplus Funds Trust Fund (State Pool); the Florida Counties Investment Trust; direct obligations of the United States Government; obligations guaranteed by the United States Government as to

principal and interest; time deposits and savings accounts in banks and savings and loan associations, organized under the laws of Florida and/or the United States, doing business and situated in the State (all such deposits must be collateralized); obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation (participation certificates), the Federal Home Loan Bank or its banks, the Government National Mortgage Association (GNMA) (including Federal National Mortgage Association participation certificates which are guaranteed by GNMA); Bankers' acceptances that are eligible for purchase by the Federal Reserve Banks and have a letter of credit rating of AA or better; commercial paper of United States corporations having a rating of at least two of the following ratings: A-1 (Standard & Poor's), P-1 (Moody's) and F-1 (Fitch); tax-exempt obligations of the State of Florida and its various local governments which are either insured or have a rating of A+ or better; securities of, or other interests in, any open-end or closed-end management type investment company or trust created pursuant to federal law, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations, and provided such investment company or investment trust takes delivery of such collateral either directly or indirectly through an authorized custodian; or certain written repurchase agreements.

The County is not allowed to invest directly in any securities in which the value of that security is dependent on another security, an underlying security, or an index. These securities are generally referred to as "derivatives," and include collateralized mortgage obligations, interest-only securities, and principal-only securities. Notwithstanding this prohibition, the County can invest in the Local Government Surplus Funds Trust Fund, the Florida Counties Investment Trust, and authorized money market mutual funds which themselves contain derivatives.

The County's investment policy may be modified from time to time by the Board.

SELF INSURANCE

Except as herein noted, the County is self-insured. The County maintains select excess insurance policies designed to augment the County's Ordinance No. 16-26, which establishes a self-insurance program for the County, its officers and employees. The County's Ordinance No. 16-26 provides liability coverage in accordance with Chapter 768.28, Florida Statutes, in the amount of \$200,000 per person and \$300,000 aggregate per occurrence, and for greater amounts in the event of a federal claim, or claims bill, not subject to the above limits.

The County purchases excess insurance policies to protect against catastrophic financial loss.

The County maintains an excess Property Insurance program with a total loss limit of \$250,000,000 all perils excluding named wind storm, which has a total loss limit of \$90,000,000. The deductible for all perils, excluding named wind storm, is \$100,000 per occurrence. The deductible for named wind storm is 3% per affected building with a minimum of \$250,000 and a maximum of \$20,000,000. The County maintains flood insurance through NFIP for 10 high hazard locations.

The County maintains excess Auto Liability and General Liability Insurance with limits of \$2,000,000 per occurrence/\$4,000,000 aggregate with a self-insured retention of \$500,000, statutory Workers Compensation Insurance with a self-insured retention of \$1,000,000, Employers Liability with a limit of \$1,000,000, and Public Officials Liability with limits of \$1,000,000 per occurrence/\$2,000,000 aggregate with a self-insured retention of \$500,000.

In addition, the County also maintains: Boiler & Machinery, Crime, and Railroad General Liability policies.

Historically, the Federal Emergency Management Agency has reimbursed most, if not all, of the costs incurred by local governments in the rebuilding of property damage due to a declared catastrophic event that either did not meet the property insurance deductible or exceeded available insurance coverage.

[Hurricane Irma, a Category 4 hurricane, impacted the Florida peninsula, including the County, on Sunday, September 10, 2017. A damage assessment of the Public Utilities System found minimal damage to real property. The primary costs related to the Public Utilities System were service provider overtime and debris removal in an estimated amount of \$10-12 million, of which the County estimates that the majority will be reimbursed. Accordingly, the County does not expect any adverse impact on its ability to pay debt service on any Outstanding Bonds.]

LITIGATION

There is no litigation or controversy of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2017 Bonds or in any way contesting the validity of the Series 2017 Bonds or any proceedings of the County taken with respect to the authorization, sale or issuance of the Series 2017 Bonds or the pledge or application of the moneys provided for the payment of the Series 2017 Bonds which, if successful, would materially financially affect the County.

The County experiences claims, litigation and various legal proceedings which individually are not expected to have a material adverse effect on its operations or financial condition, but may, in the aggregate, have a material impact thereon. In the opinion of the County Attorney, however, the County will either successfully defend such

actions or otherwise resolve such matters without any material adverse consequences on the financial condition of the County.

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2017 Bonds are subject to the approval of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel, the form of whose approving opinion is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the County by either Mitchell "Mickey" Palmer, Esquire, County Attorney, or an Assistant County Attorney and for the Underwriters by their counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

The legal opinions of Bond Counsel, Underwriters' Counsel and the Office of the County Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Underwriters' Counsel and the Office of the County Attorney as of the date thereof. Bond Counsel, Underwriters' Counsel and the Office of the County Attorney 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.

The legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the County must continue to meet after the issuance of the Series 2017 Bonds in order that the interest on the Series 2017 Bonds be and remain excludable from gross income for federal income tax purposes. The County's failure to meet these requirements may cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2017 Bonds. The County has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2017 Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the County and continuing compliance by the County with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2017 Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2017 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and interest on the Series 2017 Bonds is not to be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is further of the opinion that the Series 2017 Bonds and the income thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors as to the status of interest on the Series 2017 Bonds under the tax laws of any state other than the State.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2017 Bonds, or the ownership or disposition of the Series 2017 Bonds. Prospective purchasers of Bonds should be aware that the ownership of the Series 2017 Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2017 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15 percent of certain items, including the interest on the Series 2017 Bonds, (iii) the inclusion of the interest on the Series 2017 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2017 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Series 2017 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and are not binding on

the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Premium and Discount

Certain of the Series 2017 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2017 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond 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 Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond 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 Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress that, if enacted into law, could alter or amend one or more of the federal tax matters described above including, without limitation, the excludability from gross income of interest on the Series 2017 Bonds, adversely affect the market price or marketability of the Series 2017 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. Currently, legislation designed to bring about comprehensive reform of the United States Tax Code are being considered in Congress. The House of Representatives and Senate have passed separate and distinct comprehensive tax bills. Each bill includes provisions that would directly and indirectly adversely affect the ability of issuers to issue tax-exempt bonds and could indirectly adversely affect the market price or marketability of the Series 2017 Bonds. Both bills contain provisions that would eliminate the ability of issuers to issue advance refunding bonds after December 31, 2017. Both bills also contain provisions that would significantly lower the corporate tax rate and potentially reduce the marginal tax rate for many personal income taxpayers. Neither bill as proposed affects the excludability from gross income of interest on the Series 2017 Bonds if they are issued, as expected, prior to January 1, 2018. The bills are expected to go to conference and for formal discussions to reconcile differences between the bills to commence in the month of December of this year. However, it cannot be predicted whether or in what form this proposed legislation or any other such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2017 Bonds. If enacted into law, such legislative proposals could affect the market price or marketability of the Series 2017 Bonds. Prospective purchasers of the Series 2017 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2017 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2017 Bonds 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 2017 Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2017 Bonds and proceeds from the sale of Series 2017 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2017 Bonds. This withholding generally applies if the owner of Series 2017 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor 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 payor 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 2017 Bonds 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.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

The accuracy of the arithmetical computation of the adequacy of the maturing principal amounts of, and interest on, the Escrow Securities, together with any uninvested amounts, to be held in the Escrow Deposit Fund to pay interest on the Refunded Bonds prior to the Redemption Date and the principal and interest on the Refunded Bonds on the Redemption Date will be verified for the County by _____ (the "Verification Agent"). Such verification will be based on certain information supplied to the Verification Agent by Wells Fargo Bank, National Association and will be relied upon by Bond Counsel in rendering the defeasance opinion described above under the heading "PLAN OF REFUNDING."

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2017 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution and the Series 2017 Bonds may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

RATINGS

Moody's Investors Service, Inc. and Fitch Ratings have assigned their ratings of ___ and ___, respectively, to the Series 2017 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Fitch Ratings, 33 Whitehall Street, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials

furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2017 Bonds.

UNDERWRITING

The Series 2017 Bonds are being purchased by Wells Fargo Bank National Association, Citigroup Global Markets Inc. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), subject to certain terms and conditions set forth in a purchase contract between the Underwriters and the County (the "Purchase Contract"), at a purchase price of \$_____ (which is the par amount thereof, [plus net original issue premium of \$_____ and less Underwriters' discount of \$_____]). The Series 2017 Bonds will be purchased at the initial offering prices or yields set forth on the inside cover page of this Official Statement, subject to certain terms and conditions as set forth in the Purchase Contract, including the approval of certain legal matters by Bond Counsel and the existence of no material adverse change in the condition of the County from that set forth in this Official Statement. The Series 2017 Bonds may be offered and sold to certain dealers at prices lower than such offering prices and such public offering prices may be changed from time to time by the Underwriters.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), the lead underwriter of the Series 2017 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2017 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2017 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities; LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2017 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a

portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas 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 Underwriters have reviewed the information in this Official Statement in accordance with and, as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

CONTINGENT FEES

The County has retained Bond Counsel, the Financial Advisor, the Underwriters (who in turn retained Underwriters' Counsel), the Paying Agent, the Registrar and the Escrow Agent with respect to the authorization, sale, execution and delivery of the Series 2017 Bonds. Payment of the fees of such professionals are each contingent upon the issuance of the Series 2017 Bonds.

CONTINUING DISCLOSURE

In accordance with the continuing disclosure requirements of Rule 15c2-12 promulgated by the SEC, the County has never failed to materially comply with any agreement to provide continuing disclosure information within the last five (5) years. With respect to the Series 2017 Bonds, the County has agreed pursuant to the terms of the Series 2017 Resolution as follows:

(1) The County undertakes and agrees to provide to the Municipal Services Rulemaking Board (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (a) the County's financial statements and information relating to the Public Utilities System generally consistent with the financial statements presented

in APPENDIX B to this Official Statement relating to the Series 2017 Bonds, and (b) update the information in the Official Statement concerning the County's Public Utilities System set forth in the tables entitled "Historic Growth of Water and Wastewater Divisions Services - Number of Meters" and "Single Family Residential Water and Wastewater Bills in County and Surrounding Areas" under the heading "THE WATER AND WASTEWATER DIVISION," the table entitled "Manatee County Solid Waste Tipping Fee Comparison" under the heading "THE SOLID WASTE DIVISION" and the table under the heading "HISTORIC OPERATING RESULTS OF SYSTEM" to the extent such information is not included in the County's Public Utilities System's purpose financial statements referred to in clause (a) above. The information referred to in clauses (a) and (b) is herein collectively referred to as the "Annual Information."

(2) The Annual Information described in clause (a) of paragraph (1) above in audited form (for as long as the County provides such financial information in audited form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2018 for the fiscal year ending on the preceding September 30, 2017. The Annual Information referred to in clause (a) of paragraph (1) above in unaudited form (if the audited financial statements are not available or if the County no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. The County also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Series 2017 Bonds who request such information and pays to the County its costs and reproduction and transmission of such Annual Information. The County agrees to provide to the MSRB, through EMMA and the SID, if any, timely notice of its failure to provide the Annual Information. Such notice shall also indicate the reason for such failure and when the County reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure.

(3) The Annual Information referred to in clause (a) of paragraph (1) above and presented in the Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

(4) If, as authorized by paragraph (6) below, the County's undertaking with respect to paragraph (1) above requires amending, the County undertakes and agrees that the Annual Information described in clause (a) of paragraph (1) above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described

in paragraph (3) above. The County agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

(5) The County undertakes and agrees to provide to the MSRB, through EMMA, and to the SID, if any, within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)) notice of the occurrence of any of the following events with respect to the Series 2017 Bonds, if material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on any Debt Service Reserve Account reflecting financial difficulties;*
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;*
- (e) substitution of credit or liquidity providers, or their failure to perform;*
- (f) adverse tax opinions or events affecting the tax-exempt status of the Series 2017 Bonds;
- (g) modifications to rights of Bondholders;
- (h) Series 2017 Bond calls (other than scheduled mandatory sinking fund redemptions);
- (i) defeasances of the Series 2017 Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2017 Bonds;
- (k) rating changes;
- (l) any failure on the part of the County to comply with its undertaking;
- (m) tender offers;

* Not applicable to the Series 2017 Bonds.

(n) the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;

(o) bankruptcy, insolvency, receivership or similar event of the County or obligated person;

(p) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(q) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The County agrees to provide or cause to be provided, in a timely manner to the MSRB through EMMA, written notice of a failure by the County to provide the Annual Information described in clause (a) of subparagraph (1) above on or prior to the date such Annual Information is to be reported.

Events described in clauses (a), (f), (i), (j), (k), (l), (m), (n) and (o) shall always be deemed material.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Series 2017 Bonds.

(6) Notwithstanding any other provision of the Series 2017 Resolution to the contrary regarding amendments or supplements, the County undertakes and agrees to amend and/or supplement its undertaking (including the amendments referred to in paragraph (4) above) only if:

(a) The amendment or supplement is made only in connection with a change in circumstances existing at the time the Series 2017 Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule, or (iv) a change in the nature of the County's operations or the activities that generate the Net Revenues.

(b) The County's undertaking, as amended, would have complied with the requirements of the Rule at the time the Series 2017 Bonds were originally

issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Series 2017 Bonds as determined by Bond Counsel or by a majority of the registered owners of the 2011 Bonds.

In the event of an amendment or supplement under the Series 2017 Resolution, the County shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

(7) The County's undertaking set forth in the Series 2017 Resolution shall terminate if and when the Series 2017 Bonds are paid or deemed paid.

(8) The County acknowledges that its undertaking pursuant to the Rule set forth in the Series 2017 Resolution is intended to be for the benefit of the registered holders and Beneficial Owners of the Series 2017 Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder, and any failure by the County to comply with the provisions of this undertaking shall not be or constitute a covenant or monetary default with respect to the Series 2017 Bonds under the Series 2017 Resolution.

(9) The County reserves the right to satisfy its obligations under the Series 2017 Resolution through agents; and the County may appoint such agents without the necessity of amending the Resolution. The County may also appoint one or more employees of the County to monitor and be responsible for the County's undertaking hereunder.

FINANCIAL STATEMENTS

The Audited Financial Statements relating to the Public Utilities System, for the Fiscal Year ended September 30, 2016 and the report of the Independent Certified Public Accountants relating thereto are attached hereto as APPENDIX B. The Series 2017 Bonds are payable solely from the Net Revenues of the County's Public Utilities System and the Series 2017 Bonds are not secured by, or payable from, the general revenues of the County. The financial statements attached hereto as APPENDIX B are presented for general informational purposes only.

FINANCIAL ADVISOR

The County has retained Public Resources Advisory Group, St. Petersburg, Florida, as Financial Advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2017 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to independently verify or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Public Resources Advisory Group is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2017 Bonds, the security for and the source for repayment for the Series 2017 Bonds and the rights and obligations of the holders thereof. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule. Copies of such documents may be obtained from Ms. Angelina "Angel" Colonneso, Clerk of the Circuit Court and Comptroller, Manatee County Courthouse, 1115 Manatee Avenue West, Room 235, Bradenton, Florida 34205 or at angel.colonneso@manateeclerk.com, upon payment of the County's cost of reproduction and delivery, if any.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Official Statement, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, except with regard to information provided by them.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

**AUTHORIZATION OF CERTIFICATION CONCERNING
OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the Board of County Commissioners of the County. At the time of delivery of the Series 2017 Bonds, the undersigned or other authorized officer will furnish a certificate to the effect that, to the best of her knowledge, this Official Statement (other than the information provided by DTC and the Underwriters) did not as of its date and does not as of the date of the delivery of the Series 2017 Bonds contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements herein, in light of the circumstances in which they were made, not misleading.

MANATEE COUNTY, FLORIDA

By: _____
Chair, Board of County Commissioners

APPENDIX A

GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA

APPENDIX A

GENERAL INFORMATION CONCERNING MANATEE COUNTY, FLORIDA

General Information

Manatee County, founded in 1856, encompasses approximately 740 square miles and is located approximately half way down the west coast of Florida. The County is bounded on the north by Hillsborough County, on the south by Sarasota County, on the east by Hardee and DeSoto Counties, and on the west by the Gulf of Mexico. The incorporated cities of Palmetto, Bradenton, Bradenton Beach, Holmes Beach, Anna Maria Island and Town of Longboat Key are located within the County. The 2016 estimated population of the County was 356,133 persons. The County estimates the 2017 population to be 368,782 persons.

There are approximately 150 miles of waterfront land in the County, including more than 14 miles of Gulf beaches. Temperatures range from an average of approximately 60 degrees (F.) in January to approximately 82 degrees (F.) in August. Other natural advantages include an abundance of, and numerous, mineral deposits and unique soils suitable for agriculture. These factors have allowed the County to maintain an even and steady economic growth rate through the years, and have enabled the County to develop a year-round tourist industry.

Interstate 75 is the primary north-south access road to the County. Interstate 275, State Road 64 and State Road 70 are the major east-west access roads to the County. Interstate 275 utilizes the Skyway Bridge to St. Petersburg and Tampa.

The Sarasota-Bradenton International Airport, located on the Manatee-Sarasota County line, provides air service for the County. The following international, domestic, commuter and charter airlines provide service through the Sarasota-Bradenton International Airport: Air Canada, American Airlines, Delta, Elite Airways, JetBlue Airways, and United Airways.

County Government

The County is governed by a seven-member Board of County Commissioners (the "Board"), one from each of five districts and two elected at large (County wide) for staggered terms of four years. In addition to the Members of the Board, there are five elected County Officials: Tax Collector, Property Appraiser, Supervisor of Elections, Clerk of the Circuit Court and Sheriff.

The County provides a variety of services characteristic of local multi-purpose governments including: transportation, building and planning and zoning, environmental protection, utilities, welfare, children's services, civil defense, veteran's services, traffic

control and others. The Board provides and oversees expenditures of such operations. There were approximately 1,858 County employees as of September 30, 2017.

In 1978, the Board adopted an ordinance creating the position of County Administrator. The County Administrator is the chief administrative officer, and has the authority to hire all department heads, subject to the approval of the Board.

Angelina "Angel" Colonneso, Clerk of the Circuit Court and Comptroller, is the Chief Financial Officer for the Manatee County Board of County Commissioners. The Clerk of the Circuit Court and Comptroller has received for the County the Certificate of Achievement for Excellence in Financial Reporting for each Fiscal Year since September 30, 1979 and each report generated is prepared in accordance with the Government Finance Officers Association and the America Institute of Certified Public Accountants (AICPA) guidelines.

The GFOA Awards for Excellence Program recognizes the most valuable contributions to the field of governmental finance, with particular focus upon the transferability, creativity, technical significance and overall value to the profession. The GFOA presented an award for distinguished budget presentations to the County for its annual budget, dated October 1, 2016. This was the 31st time that the County received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. The budget document is prepared by the Department of Financial Management.

Educational System

The County's public school system is governed by a separately elected School Board and operates 33 elementary, 10 middle, 6 senior high school, 3 alternative education schools, 1 post-secondary school (operated at four school sites), 16 contract sites including 3 Department of Juvenile Justice sites, and 12 charter schools that are component units of the Manatee County School District (the "District"). The District estimates serving approximately 48,300 unweighted, full-time equivalent students for the 2016-2017 school year. The District also offers programs for adults to learn the necessary skills in order to enter the workforce or increase opportunities for advancement in current positions. Also, students from foreign countries have the opportunity to learn communication skills through the District's English Language Learner (ELL) programs, and all citizens can take fee-supported courses to increase personal development in various subjects such as computers, photography and personal financial planning.

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**Public School Enrollment (Grades K-12)
Last Ten Fiscal Years**

Fiscal Year	Unweighted Full-Time Equivalent Students
2006-2007	42,500
2007-2008	42,500
2008-2009	42,500
2009-2010	43,000
2010-2011	44,175
2011-2012	45,050
2012-2013	45,800
2013-2014	46,800
2014-2015	47,700
2015-2016	48,600

Sources: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Additional postsecondary and community service programs are provided by the Manatee Technical College and State College of Florida. Manatee Technical College ("MTC") opened in 1963 and has continually expanded its physical plant and course offerings. MTC serves over 5,000 students across four campuses and offers specialized instruction to meet the employment demands of new industry locating in the County. The State College of Florida ("College") is a fully-accredited, state-supported, associate and baccalaureate degree institution with two full-service campuses in Bradenton and Venice and a Center for Innovation and Technology at Lakewood Ranch. The College serves 27,000 degree-seeking, credit students and another 14,000 are enrolled in noncredit classes in workforce, professional development, enrichment and traffic safety. Students may earn an associate in arts degree in preparation for transfer to a university or choose from among more than 20 associate in science degree programs that include programs in engineering, nursing and other health professions. Beginning in March 2009, the College began offering a bachelor of science in nursing, and has since added baccalaureate programs in Public Safety and Emergency Administration, Early Childhood Education, Health Services Administration, International Business and Trade and Technology Management. Broadening its continuum of education, the College opened a collegiate charter school in fall 2010. The school enables students to complete high school and receive their Associate in Arts degree simultaneously.

Population

The County has experienced a very rapid population growth in recent years. The 2010 U.S. Census listed the County population at 322,833 persons. The estimated 2017

County population was 368,782. As shown in the following table, the population of the County has more than tripled since 1970. The County population is projected to be 388,661 in the year 2020.

Manatee County		
	Population	% Increase
2010 Federal Census	322,833	22%
2000 Federal Census	264,002	25
1990 Federal Census	211,707	43
1980 Federal Census	148,442	53
1970 Federal Census	97,115	40
1960 Federal Census	69,168	99
1950 Federal Census	34,704	33
1940 Federal Census	26,098	-

Source: U.S. Bureau of the Census.

The 2010 Census also reported that of the 322,833 persons living in the County, 23% were age 65 and over. The population's median age is 46.

Age Group	2020	Age Group	2010	2000	1990	1980
0-4	20,583	0-14	54,985	45,938	34,686	24,963
5-17	54,645	15-24	34,131	25,912	20,644	19,427
18-24	28,067	25-44	69,480	65,063	55,035	30,749
25-54	123,317	45-59	65,761	47,048	28,168	33,147
55-64	58,486	60 and over	98,476	80,041	73,174	40,156
65-79	76,700					
80+	26,863					
Total	<u>388,661</u>		<u>322,833</u>	<u>264,002</u>	<u>211,707</u>	<u>148,442</u>

Sources: University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 178; U.S. Census of Population (2010).

Economy

The County's industry base is diversified, with the three largest industry sectors being services, retail, and manufacturing. The County also has a strong tourism and agricultural base.

Tourism

The proximity of the Gulf beaches and the favorable climate in the County provide the basis for a year-round tourist industry. There are numerous motels and retail service establishments in the County to serve the tourist trade.

Employment

The civilian labor force increased to 175,254 as of October 2017, representing a 2.8 percent increase in the labor force over the prior year. The County's unemployment rate as of October 2017 was 3.2 percent. That rate was slightly less than the 3.6 percent unemployment rate of the State of Florida. The unemployment rate for the nation for October 2017 was 4.1 percent.

Source: Florida Department of Labor and Employment Security Database.

Manatee County, Florida Principal Employers September 30, 2016

Employer	Employees	Rank	Percentage to Total County Employment
Manatee County School Board	5,448	1	3.43%
Manatee County Government	1,835	2	1.15
Beall's Inc.	1,694	3	1.07
Manatee Memorial Hospital	1,150	4	0.72
Manatee County Sheriff's Department	1,146	5	0.72
Tropicana Products, Inc.	1,000	6	0.63
Blake Medical Center	849	7	0.53
IMG Academies	640	8	0.40
Publix	639	9	0.40
Feld Entertainment	563	10	0.35

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

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**North Port-Bradenton-Sarasota Metropolitan Statistical Area
Employment Status**

	2017 ⁽¹⁾	2016	2015	2014	2013
Civilian Labor Force	365,120	350,958	342,270	335,628	326,215
Total Employment	353,390	334,939	325,078	316,250	303,757
Total Unemployment	11,730	16,019	17,192	19,378	22,458
Unemployment Rate	3.2%	4.6	5.0	5.8	6.9

⁽¹⁾ As of October 2017.

Source: Florida Research and Economic Database.

The following table shows the distribution of the North Port-Bradenton-Sarasota Metropolitan Statistical Area total employment by industry and wage data as of 2016.

**North Port-Bradenton-Sarasota Metropolitan Statistical Area
Employment by Industry**

Industry Sectors	% of Total Employees	% of Total Wage	Average Annual Wage
Trade, Transportation and Utilities	21.66%	7.30%	\$ 35,021
Education and Health Services	19.69	9.62	46,113
Leisure and Hospitality	16.55	4.88	23,400
Professional and Business Services	14.67	11.43	54,790
Construction	8.37	9.42	45,174
Manufacturing	6.40	10.83	51,931
Financial Activities	5.56	13.82	66,274
Other Services	3.88	6.56	31,452
Natural Resources and Mining	1.86	5.45	26,122
Information	1.31	11.71	56,170
Unclassified	0.05	8.98	43,100
		Total Wage:	\$479,547

Source: Quarterly Census of Employment and Wages – Bureau of Labor Statistics, Annual 2016.

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Construction

The table below shows the residential building permit activity in the County for the last ten years.

Building Permit Activity Manatee County, Florida 2008-2017

Calendar Year	Number of Units		Total Valuation (000s)
	Single Family	Multi- Family	
2008	1,012	43	\$237,837
2009	931	32	181,536
2010	1,144	19	238,584
2011	1,198	32	258,943
2012	1,588	49	360,550
2013	2,284	76	575,139
2014	2,318	120	624,199
2015	2,586	99	707,131
2016	2,957	115	817,248
2017 ⁽¹⁾	2,268	38	542,721

⁽¹⁾ Nine months ended September 30, 2017.

Source: United States Census Bureau

Manufacturing

A substantial number of manufacturing firms which produce a wide variety of products are located in the County. The more important industries in terms of employment are citrus processing, manufacturing of fiberglass boats, truck bodies and trailers, aluminum fabrication including outdoor furniture, doors and windows and agricultural chemicals. Aircraft components and electronics firms are among the major employers in the area.

Manufacturer	Type of Business	Employees
Bealls, Inc.	Corporate headquarters and distribution	1,694
Tropicana Products	Orange juice and juice beverages	1,000
IMG Academies	International sports training facility	640
Publix	Grocery store	639

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Port Manatee

Port Manatee, one of the largest fourteen Florida deep water seaport in the State, is located on Tampa Bay and consists of a 1,106-acre site, which is a short distance from the Manatee-Hillsborough County line. A 40-foot channel extends a distance of three miles from the berthing facilities of the main shipping channel in Tampa Bay and is a federally maintained channel by the U.S. Corps of Engineers. Port facilities include 7,243 linear feet of berthing space and seven miles of railroad track providing a connection with CSX Railroad. Since the Port began operating in 1970, cargo tonnage has increased from 1,166,000 tons in fiscal year 1970-71 to 2,339,000 tons in fiscal year 2015-2016. Gross operating revenues have increased from \$102,496 in fiscal year 1970-71 to \$11,949,000 in fiscal year 2015-2016. The Port facilities are operated by the Manatee County Port Authority, with daily operations supervised by a Port Director appointed by the Manatee County Port Authority. The governing body of Manatee County is also the governing body of the Manatee County Port Authority.

Source: Manatee County Port Authority Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Manatee County, Florida Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income (000s)	Personal Income (000s)	Median Age	School Enrollment	Unemployment Rate
2007	315,890	\$37.3	\$11,782,065	43	42,500	4.2%
2008	323,374	42.3	13,676,780	43	42,500	7.4
2009	330,201	43.2	14,279,542	43	42,500	12.7
2010	318,176	42.0	13,352,892	43	43,000	12.6
2011	324,168	39.2	12,719,935	46	44,175	10.9
2012	330,862	37.2	12,308,066	46	45,050	9.0
2013	333,687	40.5	13,514,324	46	45,800	7.2
2014	337,546	46.7	15,763,398	46	46,800	6.1
2015	341,405	43.8	14,953,539	46	47,700	5.1
2016	356,133	44.8	15,954,758	46	48,600	4.7

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Manatee County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(000s)

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy ⁽¹⁾⁽²⁾	
			Amount	Percentage of Levy
2007	2006	\$245,455	\$236,989	96.55%
2008	2007	234,771	226,446	96.45
2009	2008	213,749	208,502	97.55
2010	2009	196,043	188,441	96.12
2011	2010	169,938	163,616	96.28
2012	2011	162,715	156,857	96.40
2013	2012	159,669	154,031	96.47
2014	2013	166,094	160,149	96.42
2015	2014	178,675	172,227	96.39
2016	2015	194,056	187,607	96.68

⁽¹⁾ Property tax levies, based on assessed values as of January 1st, become due and payable on November 1st of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be 100 percent of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold no later than June 1st of each year. Collections received subsequent to the tax sales are remitted by the Tax Collector directly to the certificate holders.

⁽²⁾ Collections in subsequent years include delinquent taxes received, less refunds issued due to tax roll corrections.

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

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**Manatee County, Florida
Principal Property Taxpayers
as of September 30, 2016
(000s)**

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Net Assessed Value</u>	<u>Ranking</u>
Florida Power and Light Company	\$903,934	3.20%	1
Tropicana Products, Inc.	398,698	1.41	2
Gulfstream Natural Gas System LLC.	172,198	0.61	3
Mosaic Fertilizer LLC	157,036	0.56	4
Manatee Memorial Hospital	119,598	0.42	5
Peace River Electric Co Op, Inc.	112,537	0.40	6
Gulf Coast Factory Shops	110,000	0.39	7
Verizon Florida, Inc.	104,998	0.37	8
Wal-Mart Stores, Inc.	79,659	0.28	9
HCA Health Services of Florida	57,890	0.21	10
	<u>\$2,216,548</u>	<u>7.85%</u>	

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

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**MANATEE COUNTY, FLORIDA
PRO FORMA DEBT STATEMENT
as of September 30, 2017**

COUNTY DIRECT DEBT	GENERAL OBLIGATION	SELF- SUPPORTING REVENUE DEBT
Public Utilities Revenue Improvement Bonds, Series 2010A ⁽¹⁾		\$17,925,000
Public Utilities Revenue Improvement Bonds, Series 2010B ⁽¹⁾		45,300,000
Public Utilities Revenue Improvement Bonds, Series 2010C		5,410,000
Public Utilities Revenue Refunding Bonds, Series 2011		14,735,000
Public Utilities Revenue Refunding and Improvement Bonds, Series 2015		91,485,000
Revenue Refunding and Improvement Bonds, Series 2013		59,350,000
Revenue Improvement Bonds, Series 2014		5,847,000
Revenue Improvement Bonds, Series 2016		28,500,000
Revenue Improvement Note, Series 2013		5,553,000
Revenue Improvement Note, Series 2016		18,600,000
General Obligation Refunding Bonds, Series 2014	\$635,000	
TOTAL COUNTY DIRECT DEBT	\$635,000	\$292,705,000
 <u>UNDERLYING DEBT</u>		
Port Authority Revenue Refunding Bonds, Series 2012A		\$ 5,300,000
Port Authority Revenue Refunding Bonds, Series 2012B		30,675,000
TOTAL UNDERLYING DEBT	\$0.00	\$35,975,000
 TOTAL COUNTY DIRECT AND UNDERLYING DEBT	\$635,000	\$328,680,000

⁽¹⁾ The Series 2010A and 2010B Bonds will be subject to a crossover advance refunding with proceeds of the Series 2017 Bonds.

Source: Manatee County, Florida Finance Department.

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DEBT RATIOS AND RELATED STATISTICAL INFORMATION

**Manatee County, Florida
Population for the Last Ten Fiscal Years**

<u>Date</u>	<u>Population</u>	<u>Increase/Decrease</u>
2006	311,102	3.60
2007	315,890	1.54
2008	323,374	2.37
2009	330,201	2.11
2010	318,176	(3.64)
2011	324,168	0.41
2012	330,862	2.07
2013	333,687	0.85
2014	337,546	1.16
2015	341,405	1.14
2016	356,133	4.31

2016 County Total Net Assessed Valuation	\$39,064,397,000
2016 County Net Taxable Assessed Valuation	\$28,219,084,000

Source: Manatee County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2016.

Debt Ratios as of September 30, 2016

Direct General Obligation Debt as a percent of:

Total Assessed Valuation	0.003%
Net Taxable Assessed Valuation	0.004%

Direct General Obligation Debt per capita \$3.47

Total Assessed Valuation per capita \$109,690.47

Net Taxable Assessed Valuation per capita \$79,237.49

Source: Manatee County, Florida Finance Department.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
RELATING TO THE PUBLIC UTILITIES SYSTEM
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016**

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a general summary of provisions of the Resolution No. R-91-21 adopted by the Board of County Commissioners of Manatee County, Florida, on January 15, 1991, as amended and supplemented to date (the "Original Resolution"). The summary is not to be considered a complete statement of the Original Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof. A copy of the Original Resolution as supplemented may be obtained from the County upon request.

Definitions

For purposes of this summary, the capitalized terms herein shall have the following respective meanings:

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation Bond plus, with respect to matters related to the payment upon redemption or other payment of such Capital Appreciation Bond, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months.

"Act" shall mean the Florida Constitution; Chapter 125, Florida Statutes, as amended and supplemented; Part VII of Chapter 159, Florida Statutes, as amended and supplemented; Chapter 63-1598, Laws of Florida, Acts of 1963, as amended and supplemented; Chapter 197, Florida Statutes, as amended and supplemented; Chapter 403, Florida Statutes, as amended and supplemented; Ordinance No. 85-11, enacted by the Board on April 23, 1985, Ordinances No. 91-25, No. 91-26 and No. 91-27, each enacted by the Board on January 15, 1991, as such ordinances may be amended and supplemented from time to time; and other applicable provisions of law.

"Annual Debt Service Requirement" shall mean, at any time, the amount required to be deposited in the then current Fiscal Year into the Interest Account, Principal Account, and Bond Redemption Account, as provided in the Resolution; provided, however, that such amount shall be reduced by any earnings or investment income in the then current Fiscal Year on moneys and investments on deposit in any fund or account created and established under Part II of the Resolution and transferred to the Interest Account, as provided in Part II of the Resolution; and provided further, however, that in computing such Annual Debt Service Requirement for any future period (other than in connection with determining the Debt Service Reserve Requirement), any Variable Rate Bonds shall be deemed to bear interest at all times to the maturity thereof at a constant rate of interest equal to 110% of the greater of (a) the daily average interest rate on such

Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Bonds shall have been Outstanding, or (b) the rate of interest on such Variable Rate Bonds on the date of calculation.

“Appreciated Value” shall mean, (i) as of any date of computation with respect to any Capital Appreciation and Income Bonds up to the Interest Commencement Date set forth in subsequent proceedings of the Board providing for the issuance of such Bonds, the amount set forth as of such date in the supplemental resolution authorizing such Capital Appreciation and Income Bonds plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve 30-day months, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

“Bonds” shall mean any bonds, notes or other evidences of indebtedness (other than subordinated debt issued under the terms and provisions of the Resolution unless the context clearly requires otherwise), as the case may be, issued, authenticated and delivered under and pursuant to the Resolution, together with any pari passu additional bonds hereafter issued in the manner provided in the Resolution.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and all subsequent tax legislation duly enacted by the Congress of the United States to the extent applicable to any Series of Bonds issued pursuant to the Resolution. Each reference to a section of the Code in the Resolution shall be deemed to include, if applicable, final, temporary or proposed regulations, revenue rulings and procedures issued or amended with respect thereto, and any final, temporary or proposed regulations and revenue rulings and procedures, as promulgated under the Internal Revenue Code of 1954, as amended, by the Treasury Department or Internal Revenue Service of the United States.

“Connection Charges” shall mean, where applicable, the charges imposed on those connecting to the System for the cost of physically connecting to the System, including but not limited to the cost of excavating, plumbing, installation of meters, and landscaping.

“Consultant” shall mean the engineering firm or qualified engineer or other appropriate specialist retained by the County to perform the acts and carry out the duties provided for such Consultant in Part II of the Resolution.

“Credit Facility” of “Credit Facilities” shall mean either individually or collectively, as appropriate, any Bond Insurance Policy, surety bond, Letter of credit, line of credit, guaranty, or such other instrument or instruments that would enhance the credit of the Bonds. The term Credit Facility shall not mean a Reserve Account Credit Facility Substitute.

“Credit Facility Issuer” shall mean the provider of a Credit Facility.

“Debt Service Reserve Requirement” shall mean, with respect to the Series 2003 Bonds, an amount equal to (i) the maximum amount of principal of and interest on such Series of Bonds becoming due in any succeeding Fiscal Year, or (ii) one hundred twenty-five percent (125%) of the average annual amount of principal of and interest on the Series 2003 Bonds becoming due in any succeeding Fiscal Year, or (iii) ten percent (10%) of the net proceeds (as such term is defined under the Code for such purpose) of the Series 2003 Bonds, whichever is the lesser. All or a portion of such Debt Service Reserve Requirement may be satisfied by obtaining a Reserve Account Credit Facility with the requisite coverage. The Debt Service Reserve Requirement, if any, for any other Series of Bonds shall be determined by subsequent proceedings of the Board.

“Defeasance Obligations” shall mean to the extent permitted by law and (other than with respect to the obligations described in clause (a) below) acceptable to the Credit Facility Issuer if the principal of and interest on the defeased Bonds is secured by a Credit Facility and such Credit Facility Issuer is not in default under such Credit Facility or, if not so secured by a Credit Facility, acceptable to the Rating Agency or Agencies then rating the defeased Bonds:

(a) U. S. Obligations which are not redeemable prior to maturity except by the holder thereof;

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate; and

(c) Evidences of ownership of proportionate interests in future interest and/or principal payments on obligations described in (a) held by a bank or trust company as custodian.

“Facilities” shall mean all the facilities of the System, and all parts thereof, including the Landfill, and any facilities which may hereafter be a part of the System, by any additions, betterments, extensions, improvements thereto, or property of any kind or nature, real or personal, tangible or intangible, hereafter constructed or acquired by the County.

“Fiscal Year” shall mean that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law as the Fiscal Year of the County.

“Landfill” shall mean the landfill site and other properties relating thereto owned by the County for the purpose of collecting and disposing of all solid waste generated in the County.

“Maximum Annual Debt Service Requirement” shall mean, at any time, the maximum amount required to be deposited in the then current or any succeeding Fiscal Year into the Interest Account, Principal Account and Bond Redemption Account, as provided in Part II of the Resolution; provided, however, that such amount shall be reduced by any estimated earnings or investment income from investments in any of the funds or accounts created and established under Part II of the Resolution, which are required to be deposited in the Interest Account, Principal Account and Bond Redemption Account by the terms of the Resolution. The amount of Term Bonds maturing in any Fiscal Year which were subject to mandatory redemption, in part, prior to their stated date of maturity by operation of the Bond Redemption Account shall not be included in determining the Maximum Annual Debt Service Requirement in their final Fiscal Year of maturity.

“Maximum Interest Rate” shall mean, with respect to any particular Series of Variable Rate Bonds issued pursuant to the terms and provisions of the Resolution, the maximum rate of interest such Bonds may bear at any particular time, which rate shall not exceed the rate of interest allowed under Florida law.

“Moody’s” shall mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Net Revenues” shall mean the Gross Revenues remaining after deduction of Operating Expenses and deposits, if any, into the Rate Stabilization Fund.

“Operating Expenses” shall mean the expenses of operation, maintenance and ordinary repairs of the System and its Facilities and shall include, without limiting the generality of the foregoing, insurance premiums, if any, administrative general expenses of the County relating to the System, engineering expenses, legal and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, taxes, payments in-lieu-of-taxes and/or franchise fees and such other reasonable expenses as shall be in accordance with generally accepted accounting principles and properly allocable to the System. “Operating Expenses” shall not include extraordinary repairs, any allowance for depreciation, any extraordinary items arising from the early extinguishment of debt, interest, amortization, any costs and expenses for new construction or deposits to any closure reserve or escrow fund established for the Landfill.

“Outstanding” shall mean, when used with reference to the Bonds authorized under the Resolution, as of any particular date, all Bonds theretofore, or thereupon being, authenticated and delivered by the Registrar under the Resolution, except (i) Bonds theretofore or thereupon cancelled by the Registrar or surrendered to the Registrar for cancellation; (ii) Bonds with respect to which all liability of the County shall have been discharged in accordance with the terms and provisions of the Resolution; (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to any provision of

the Resolution; (iv) Bonds cancelled after purchase in the open market or because of payment at redemption prior to maturity; and (v) Bonds held or purchased by the County.

“Permitted Investments” shall mean (i) to the extent permitted by law U.S. Obligations and (ii) all other investments permitted under the laws of Florida and acceptable to the Credit Facility Issuer, if any.

“Project” shall mean the Cost of the construction and acquisition of additions, extensions and improvements to the System; funding of all or part of the Debt Service Reserve Account, if any, established for the Series of Bonds issued to finance the Project, or, in lieu thereof, payment of the premiums for a Reserve Account Credit Facility Substitute; interest on the Bonds properly allocable to such Project prior to, during and for one (1) year after completion of such Project; engineering costs, and legal and financing fees and expenses; the costs of issuance of the Bonds; expenses for estimates of costs and of revenues; expenses for plans, specifications and surveys, administrative expenses relating to such construction and acquisition; the premium or fees for the Credit Facility, if any; and such other costs and expenses necessary, or incidental to the financing of such Projects authorized by the Resolution and for the payment of any temporary obligations issued for the purposes provided in the Resolution.

“Rating Agency” or “Agencies” shall mean Moody’s and/or S&P, and/or such other nationally recognized securities rating agency, whichever shall have a rating then in effect with respect to the Bonds.

“Revenues” or “Gross Revenues” shall mean all rates, fees, charges, including Connection Charges, capital contributions, special assessments with respect to the water and sewer system levied by the County, on or before the issuance of the first Series of Bonds and pledged to the payment of the Outstanding Bonds and Special Assessments (if so pledged by subsequent proceedings of the County or any other income received by the County from the operation of the System or from any agency thereof in control of the management and operation of the System, and all parts thereof, and shall also include the earnings and investment income derived from the investment of moneys on deposit in the various funds and accounts and established under Part II of the Resolution, which by the terms and provisions of Part II of the Resolution are required to be deposited in the Interest Account or the Revenue Fund created and established under Part II of the Resolution; provided, however, that Revenues shall not include (1) revenues received from the of any County utility systems or public works enterprise constructed and/or acquired from the proceeds of Special Purpose Bonds, and (2) moneys received by the County from Federal, State or local governments for capital improvements to the System.

“S&P” shall mean Standard & Poor’s Corporation, a corporation organized and existing under the laws of the State of its successors and their assigns, and, if such corporation dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the County.

“Series” shall mean all of the Bonds authenticated, issued and delivered at one time under and pursuant to the terms of the Resolution or any supplemental resolution authorizing such

Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the terms and provisions of the Resolution, regardless of variations in maturity, interest rate or other provisions.

“Special Assessments” shall mean, as determined by subsequent proceedings of the County, all proceeds derived by the County from the special assessments levied against the real property specially benefited by the acquisition and construction of a Project financed by such Series of Bonds, or levied against real property in relation to each such property’s benefit derived from the services performed by the System, including interest collected on such Assessments and any penalties or moneys received upon foreclosure of the liens of such Special Assessments.

“Special Purpose Bonds” shall mean the Bonds issued by the County for the purposes of providing financing for the construction and/or acquisition of Special Purpose Facilities as provided for in Part II of the Resolution.

“System” shall mean the Manatee County Public Utilities System consisting of the combined Water and Sewer System, which shall include the complete waterworks plant and transmission system, and complete sanitary sewer collection, treatment and transmission system, now owned and/or operated or hereafter owned and/or operated by the County, including all additions, extensions and improvements heretofore or hereafter constructed or acquired, together with all lands or interest therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment and all property, real or personal, tangible or intangible, now or hereafter owned, used or operated by the County in connection therewith; the Solid Waste System, which shall include the unified solid waste collection, disposal and recycling system now owned and/or operated or hereafter owned and/or operated by the County, including any plant, equipment, facility, the Landfill and any other landfill site or property (real, personal and intangible), necessary or used in connection with the collection, treatment or disposal of solid waste, heretofore or hereafter acquired or constructed by the County; and the Stormwater Management System, which shall include, but not be limited to, storm sewers, drains, culverts, retention systems, detention basins, drainage wells, conduits and appurtenant features, catch basins, desilting facilities, recharging basins, outfall structures and all appurtenances, whether man-made or natural, now owned and/or operated or hereafter owned and/or operated by the County, together with all properties (real, personal and intangible) now or in the future owned or leased or under the control of the County, including but not limited to the 1991 Project upon the complete defeasance of the Outstanding Bonds, Facilities, franchises, management agreements and operational systems relating thereto, any facilities which may hereafter be a part thereof, by any additions, betterments, extensions or improvements thereto, all appurtenances whether man-made or natural, which is necessary, useful or convenient for the System. Notwithstanding any of the foregoing to the contrary, the term “System” shall not include any interest or rights the County may have now or in the future in any of the, assets (whether real, personal or intangible) of the Peace River/Manasota Regional Water Supply Authority, of which the County is a member. Pursuant to the terms and provisions of the Resolution, the System shall also include, if determined by subsequent proceedings of the Board to be in the best interest of the County after the Consultant certifies in writing to the Board that the combining of such additional utility system or public works enterprise shall not have an adverse effect upon the existing System and is reasonably related to the type, management and operation of the System, any other County utility system or public works enterprise now or in the future owned or operated by the County. Notwithstanding the foregoing, the County may issue

Special Purpose Bonds for any Special Purpose Facilities (as herein defined) pursuant to the terms, provisions and conditions of the Resolution and the resolution authorizing such Special Purpose Bonds, and the facilities constructed and/or acquired from the proceeds thereof shall not constitute a part of the System for the purposes of operation and maintenance and the collection of Revenues in the manner provided in the Resolution but shall be separate and apart therefrom and the revenues derived therefrom shall not be pledged to the payment of the Bonds.

“Tax Certificate” shall mean the applicable Tax Certificate as to Arbitrage and Instructions as to Compliance with provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended, executed by the County on the date of initial issuance and delivery of any Series of Bonds, as such Tax Certificate may be amended from time to time, and which serves as a source of guidance for achieving compliance with the Code.

“Variable Rate Bonds” shall mean Bonds issued with a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof at the date of issue.

Negotiability, Registration and Cancellation

At the option of the registered holder thereof and upon surrender thereof at the principal corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or his duly authorized attorney and upon payment by such holder of any charges which the Registrar may make as provided in the Resolution, the Bonds may be exchanged for Bonds of the same Series, interest rate and maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by the holder thereof in person or by his attorney duly authorized in writing only upon the books of the County kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the holder or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name the transferee a new Bond or Bonds. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (i) to transfer or exchange Bonds for a period of 15 days next preceding an Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (ii) to transfer or exchange any Bonds called for redemption.

Bonds Mutilated, Destroyed, Stolen or Lost

In case any Bond shall become mutilated, destroyed, stolen or lost, the County may execute and the Registrar shall authenticate and deliver a new Bond of like date, maturity, denomination and interest rate as the Bond so mutilated, destroyed, stolen or lost; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the County and, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the County

and the Registrar evidence of such loss, theft, or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to them. In the event any such Bond shall be about to mature or have matured or have been called for redemption, instead of issuing a duplicate Bond, the County may pay the same without surrender thereof. The County and the Registrar may charge the Holder of such Bond their reasonable fees and expenses in connection with this transaction.

Rate Covenant

The County has covenanted in the Resolution that in each Fiscal Year it will fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and Facilities of its System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year Net Revenues, which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement for the Bonds; and that such Net Revenues shall be sufficient to make all of the payments required by the Resolution which include, but are not limited to, all obligations owed to the issuer of a Reserve Account Credit Facility Substitute.

Establishment of Funds and Accounts; Disposition of Revenues

The following Funds and Accounts have been created and established by the Resolution:

Revenue Fund;

Rate Stabilization Fund;

Sinking Fund, which shall consist of an Interest Account, Principal Account, a Bond Redemption Account, and a Debt Service Reserve Account for the Series 2003 Bonds (in the Resolution, the County has reserved the right but has not covenanted to establish additional separate Debt Service Reserve Accounts in the Sinking Fund for any other Series of Bonds hereafter issued pursuant to the Resolution); and

Capital Improvement Fund.

The Revenues shall be disposed of only in the following manner

1. Revenues shall be used, to the full extent necessary, to pay Operating Expenses that are due and payable during the current calendar month.

2. Revenues, if the Board determines it to be in the best interest of the County, shall next be used, in the manner and in the amounts provided below, for deposit into the Rate Stabilization Fund. Prior to any deposits to the Rate Stabilization Fund, the County shall cause the Consultant to produce a report (the "Consultant's Report") which, based on the average of the annual Operating Expenses of the System for each of the last three (3) Fiscal Years, estimates what the annual increase in Operating Expenses will be for the System for the fourth Fiscal Year after the date of such report and the next two (2) succeeding Fiscal Years thereafter (herein referred to as the "Rate Stabilization Withdrawal Cycle"). In addition to taking into account historical information regarding Operating Expenses for the purpose of such Consultant's

Report, the Consultant shall determine increases to annual Operating Expenses during the next succeeding Rate Stabilization Withdrawal Cycle by also taking into account (i) known additions, extensions and improvements to the System which will or would expect to result in increased annual operating expenses, and (ii) a reasonable inflation factor for each of the three (3) Fiscal Years during the Rate Stabilization Withdrawal Cycle. The total amount set forth in such Consultant's Report representing increases to Operating Expenses during the next succeeding Rate Stabilization Withdrawal Cycle shall be referred to as the "Rate Stabilization Deposit Amount." During each of the next thirty-six (36) months prior to the commencement of the Rate Stabilization Withdrawal Cycle (herein referred to as the "Rate Stabilization Deposit Cycle"), the County shall deposit into the Rate Stabilization Fund, each month, 1/36th of the amount that, when added to amounts already on deposit, or to be deposited into the Rate Stabilization Fund with respect to any Fiscal Year in the Rate Stabilization Withdrawal Cycle pursuant to a prior Consultant's Report, including any investment earnings thereon, will equal the Rate Stabilization Deposit Amount. The Rate Stabilization Withdrawal Cycle and Rate Stabilization Deposit Cycle may be decreased to a term less than three (3) Fiscal Years or increased to a term longer than three (3) Fiscal Years, but not more than six (6) Fiscal Years, by subsequent proceedings of the Board. Moneys on deposit in the Rate Stabilization Fund may be withdrawn at such times as the County shall determine to be necessary during the Rate Stabilization Withdrawal Cycle to pay such increases to Operating Expenses which would otherwise be payable from increased rates. Pending such withdrawal, moneys on deposit therein may be invested in Permitted Investments. Moneys on deposit in the Rate Stabilization Fund may not be used to pay debt service on the Bonds.

3. Revenues shall next be used, to the full extent necessary, for deposit into the Interest Account in the Sinking Fund, on the fifteenth (15th) day of each month, beginning with the fifteenth (15th) day of the first full calendar month following the date on which any or all of the Bonds are delivered to the purchaser thereof, such sums as shall be sufficient to pay one-sixth (1/6th) of the interest becoming due on the Bonds on the next semiannual Interest Payment Date; provided, however, that such monthly deposits for interest shall not be required to be made into the Interest Account to the extent that money is on deposit therein or moneys are allocated thereto under the Capitalized Interest Cost Centers in the Acquisition/Construction Fund (created and established under the Resolution) for such purpose, and provided further, that in the event the County has issued pari passu additional Variable Rate Bonds pursuant to the provisions of the Resolution, Net Revenues shall be deposited at such other or additional times and amounts as necessary to pay the interest becoming due on the Bonds on the next Interest Payment Date, all in the manner provided in the supplemental resolution authorizing such pari passu additional Variable Rate Bonds.

The income and investment earnings derived from the moneys and investments on deposit in the Interest Account shall be retained therein and the moneys and investment earning on deposit in the Principal Account, the Bond Redemption Account and the Debt Service Reserve Account shall be deposited in the Interest Account, and such income and investment earnings shall be credited against the amount of Net Revenues required to be deposited in the Interest Account.

In the event that the period to elapse between the date of the delivery of the Bonds and the next semiannual Interest Payment Date will be less or more than six (6) months, then such

monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required semiannual interest amount maturing on the next Interest Payment Date.

4. Revenues shall next be used, to the full extent necessary:

(a) for deposit in the Principal Account in the Sinking Fund, on the fifteenth (15th) day of each month in each year, one twelfth (1/12th) of the principal amount or Accreted Value of the Serial Bonds which will mature and become due on the next annual maturity date. In the event the period to elapse between the date of delivery of the Bonds and the next principal payment date will be less or more than twelve (12) months, then such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required principal amount maturing on the next principal payment date.

(b) for deposit into the Bond Redemption Account in the Sinking Fund (or such special subaccount created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board), on the fifteenth (15th) day of each month in each year, one twelfth (1/12th) of the amount required for the payment of the Term Bonds, as shall be determined by subsequent proceedings of the Board, until the amount on deposit therein is equal to the amount required to be paid on the next installment payment date.

The moneys in the Bond Redemption Account (or such special subaccount created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board) shall be used solely for the purchase or redemption of the Term Bonds payable therefrom. The County may purchase any of the Term Bonds at prices not greater than par and accrued interest and may purchase Capital Appreciation Bonds and/or Capital Appreciation and Income Bonds (if such Capital Appreciation Bonds or Capital Appreciation and Income Bonds are Term Bonds) at prices not greater than the Accreted Value or Appreciated Value, as the case may be, as of the date of purchase. If, by the application of moneys in the Bond Redemption Account or the Capital Improvement Fund, as provided below, the County shall purchase or call for redemption in any year Term Bonds in excess of the installment requirement for such year, such excess of Term Bonds so purchased or redeemed shall at the option of the County either be credited on a pro rata basis over the remaining installment payment dates or credited against the following year's installment requirement.

The County shall, to the extent of any moneys in the Bond Redemption Account (or such special account created therein for Term Bonds of a particular maturity by subsequent proceedings of the Board) , be mandatorily obligated to use such moneys for the redemption prior to maturity of Term Bonds in such manner and at such times as shall be determined by subsequent proceedings of the Board.

No distinction or preference shall exist in the use of moneys on deposit in the Revenue Fund for payment into the Interest Account, the Principal Account and the Bond Redemption Account in the Sinking Fund, such accounts being on a parity with each other.

5. To the extent not funded from Bond proceeds or covered by Reserve Account Credit Facility Substitutes (as herein defined), Revenues shall next be used on a pro rata basis, to the full extent necessary, for deposits into each of the Debt Service Reserve Accounts in the

Sinking Fund, on the fifteenth (15th) day of each month in each year, beginning with the fifteenth (15th) day of the first full calendar month following the date on which any or all of the Bonds issued are delivered to the purchaser thereof, such sums as shall be sufficient to pay an amount equal to one-twelfth of twenty percent (1/12th of 20%) of the Debt Service Reserve Requirement applicable for each Series of Bonds; provided, however, that no payments shall be required to be made into the Debt Service Reserve Accounts whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such Series of Bonds; provided further, however, that if Revenues are insufficient to make the required deposits into the applicable Debt Service Reserve Accounts, such Revenues, which are available, will be deposited therein on a pro rata basis.

Notwithstanding the foregoing provisions, in lieu of the deposits of Net Revenues into any of the Debt Service Reserve Accounts created and established under Part II of the Resolution, the County may cause to be deposited into any of the Debt Service Reserve Accounts a surety bond, an unconditional direct pay letter of credit issued by a bank, a reserve account line of credit or a municipal bond insurance policy issued by a reputable and recognized municipal bond insurer for the benefit of the Holders of the applicable Series of Bonds for which such Debt Service Reserve Account has been created (sometimes referred to herein as a "Reserve Account Credit Facility Substitute") in an amount equal to the difference between the Debt Service Reserve Requirement for such Series of Bonds and the sums then on deposit in the applicable Debt Service Reserve Account, if any, which Reserve Account Credit Facility Substitute shall be payable (upon the giving of notice as required thereunder) on any interest payment date on which a deficiency exists which cannot be cured by funds in any other account held pursuant to Part II of the Resolution and available for such purpose under the terms and order of priority as established by Part II of the Resolution. In addition, the County, at any time by subsequent proceedings of the Board, may substitute a Reserve Account Credit Facility Substitute for all or part of the moneys on deposit in any of the Debt Service Reserve Accounts. Under such circumstances, the principal amount of Reserve Account Credit Facility Substitute and the moneys on deposit in such Debt Service Reserve Account shall be in an amount equal to the Debt Service Reserve Requirement for such Series of Bonds for which such Debt Service Reserve Account was created. Such municipal bond insurer or bank in the case of a letter of credit or line of credit shall be one whose municipal bond insurance policies or unconditional direct pay letters of credit or other type of credit enhancement insuring or guaranteeing the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in the highest rating category by any Rating Agency or Agencies then rating the Bonds, and in the case the provider of such Reserve Account Credit Facility Substitute is an insurer, such insurer holds the highest policyholder rating accorded insurers by A.M. Best & Company, or any comparable service. If a disbursement is made from a Reserve Account Credit Facility Substitute, the County shall be obligated to reinstate the maximum limits of such Reserve Account Credit Facility Substitute following such disbursement at the time or times required by the issuer of the Reserve Account Credit Facility Substitute, or, with the consent of the issuer of such Reserve Account Credit Facility Substitute, to replace such Reserve Account Credit Facility Substitute by depositing into the applicable Debt Service Reserve Account from the Revenues, as provided in the Resolution, immediately, following the receipt of the consent of the issuer of such Reserve Account Credit Facility Substitute, funds in the maximum amount originally payable under such Reserve Account Credit Facility Substitute, or any combination of such alternatives. If a disbursement is made from more than one Reserve Account Credit

Facility Substitute and/or from moneys on deposit in more than one Debt Service Reserve Account, the County shall be required to reinstate each Reserve Account Credit Facility Substitute and/or make deposits therein, as described above, on a pro rata basis. In the event a Debt Service Reserve Account is funded, both with cash (including Permitted Investments of such cash) and a Reserve Account Credit Facility Substitute in the aforementioned manner, and it is necessary to make payments attributable to debt service on the Series of Bonds for which such Debt Service Reserve Account relates into the Interest Account, Principal Account or Bond Redemption Account in the Sinking Fund when moneys in the Revenue Fund and Capital Improvement Fund, are insufficient therefor, the County covenants to deposit the cash (including Permitted Investments of such cash) on deposit in such Debt Service Reserve Account into s' h accounts in the Sinking Fund prior to making any disbursements made from such Reserve Account Credit Facility Substitute.

Whenever there is on deposit in a Debt Service Reserve Account an amount in excess of the Debt Service Reserve Requirement for the Series of Bonds for which such Debt Service Reserve Account. relates, the amount of such excess shall be reduced in the following manner: (a) if there is on deposit in the Debt Service Reserve Account a Reserve Account Credit Facility Substitute, as provided herein, the principal amount thereof shall be reduced by the amount of such excess, and (b) if there is on deposit in such Debt Service Reserve Account, cash (or Permitted Investments of such cash), the County shall reduce the amount of cash and/or Permitted Investments of such cash in the Debt Service Reserve Account in an amount equal to such excess. The cash and/or Permitted Investments of such cash so withdrawn under clause (b) above shall be deposited in the Revenue Fund or the Capital Improvement Fund, as shall be determined at the option of the Board, and used for the purposes provided therein.

Each Debt Service Reserve Account shall be used only for the purpose of making payments into the Interest Account, the Principal Account and the Bond Redemption Account, as such payments relate to debt service on the Series of Bonds for which such Debt Service Reserve Account was created when the moneys in the Revenue Fund and Capital Improvement Fund are insufficient therefor; and provided further, however, that moneys on deposit in a Debt Service Reserve Account may, upon final maturity of the Series of Bonds for which such Debt Service Reserve Account was created, be used to pay principal of and interest on such Series of Bonds. Notwithstanding any provision in Part II of the Resolution to the contrary, the County covenants to apply available Net Revenues to the payment of principal of and interest on each Series of Bonds issued under the Resolution on a pro rata basis without regard to the creation and establishment of a Debt Service Reserve Account for any one or more Series of such Bonds.

6. Revenues shall next be used, first, for the repayment of any obligations owed to the provider(s) of a Reserve Account Credit Facility Substitute (pro rata, if necessary), and second, for the payment of any subordinated indebtedness hereafter issued by the County in connection with the System in accordance with the proceedings authorizing such subordinated indebtedness.

7. Thereafter, the balance of any Revenues remaining in the Revenue Fund shall be deposited in the Capital Improvement Fund and used by the County to make (1) additions, extensions and improvements to the System, (2) to pay the costs of replacement or renewal of capital assets of the System or extraordinary repairs thereto, (3) to establish reserves for closure

costs of the County's Landfill, (4) to purchase or redeem Bonds prior to maturity, or (5) for any public works project legally permitted under applicable law (including the payment of debt service on bonds and other debt obligations issued by the County for such public works projects) in the manner and amount determined by subsequent proceedings of the Board; provided, however, that none of such Net Revenues shall ever be used for the purposes provided in this paragraph (7) unless all payments required in paragraphs (1) to (6) above, including any deficiencies for prior payments, have been made in full to the date of such use; provided further, however, that the moneys in the Capital Improvement Fund shall be used for payment into the Interest Account, the Principal Account and the Bond Redemption Account in the Sinking Fund whenever the moneys in the Revenue Fund are insufficient therefor.

For the purpose of the next preceding sentence, the term "public works" shall mean capital projects for the acquisition, construction and/or rehabilitation of roads, highways, bridges and tunnels, and such other legally permissible capital projects relating thereto as shall be determined by ordinance of the County enacted by a majority vote of the Board.

Investments

Moneys on deposit in the Revenue Fund, the Capital Improvement Fund, the Rate Stabilization Fund and the Sinking Fund may be invested in U.S. Obligations or any other Permitted Investments maturing not later than such date or dates as the County shall determine.

All income and earnings received from the investment and reinvestment of moneys on deposit in the Capital Improvement Fund and the Revenue Fund shall be transferred to or retained in the Revenue Fund, as the case may be, and used in the same manner as other moneys on deposit therein.

All income and earnings received from the investment and reinvestment of moneys on deposit on the Rate Stabilization Fund shall be retained therein and used in the same manner as other moneys on deposit therein.

Discharge and Satisfaction of Bonds

The covenants, liens and pledges entered into, created or imposed pursuant to the Introduction, where applicable, and Part II of the Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

(a) by paying the principal of and interest on Bonds when the same shall become due and payable; or

(b) by depositing in the Interest Account, Principal Account, Debt Service Reserve Account (but only with respect to the Series of Bonds proposed to be paid within the meaning of this subparagraph) and the Bond Redemption Account, or in such other accounts which are irrevocably pledged to the payment of the Bonds, as the County may hereafter create and establish by resolution, certain moneys which together with other moneys lawfully available therefor and deposited therein shall be sufficient at the time of such deposit to pay the Bonds, the interest thereon and the redemption premium, if any, as the same become due on said Bonds on or prior to the redemption date or maturity date thereof; or

(c) by depositing in the Interest Account, Principal Account, Debt Service Reserve Account (but only with respect to the Series of Bonds proposed to be paid within the meaning of this subparagraph) and the Bond Redemption Account, or such other accounts which are irrevocably pledged to the payment of the Bonds as the County may hereafter create and establish by resolution, moneys which, together with other moneys lawfully available therefor, and deposited therein when invested in Defeasance Obligations will provide moneys which shall be sufficient to pay the Bonds, the interest thereon and the redemption premium, if any, as the same shall become due on said Bonds on or prior to the redemption date or maturity date thereof.

(d) Notwithstanding the foregoing all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of a Series of Bonds, any maturity or maturities of a Series of Bonds, any portion of a maturity of a Series of Bonds or any combination thereof.

Notwithstanding the foregoing, in the event that the payment or deposit in the amount and manner provided in Part II of the Resolution has been made by the Credit Facility Issuer under the terms of its Credit Facility, the Credit Facility Issuer shall be subrogated to the rights of the Holders of the Bonds and the liability of the County, with respect thereto, shall not be discharged or extinguished.

For the purposes of determining the amount of interest on Variable Rate Bonds whether discharged and satisfied under the provisions of subsections (a), (b) and (c) above, the amount required for the interest thereon shall be calculated at the Maximum Interest Rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds.

Upon such payment or deposit in the amount and manner provided in Part II of the Resolution, the Bonds shall no longer be deemed to be Outstanding for the purposes of the Resolution and all liability of the County with respect to such Bonds shall cease, terminate and be completely discharged and extinguished, and the Holders thereof shall be entitled for payment solely out of the moneys or securities so deposited.

In the case of Bonds which by their terms may be redeemed prior to their stated maturity, the County shall give the Registrar, in form satisfactory to the Registrar, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date;

(b) requiring the Registrar to call for redemption pursuant to the terms of such Bonds any Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

(c) requiring the Registrar to mail, as soon as practicable, a notice to the owners of such Bonds that the deposit required under the Resolution has been made and that such Bonds are deemed to have been paid in accordance with the Resolution and stating the maturity or redemption; date upon which money is to be available for the payment of the principal or redemption price, if applicable, on such Bonds as specified in (a) hereof. Notwithstanding the foregoing, the discharge and satisfaction of the Bonds shall not be conditioned on the giving of such notice.

Notwithstanding anything contained in the Resolution to the contrary, the covenants, liens and pledges contained in Part II of the Resolution shall not be fully discharged and satisfied until all obligations owed to the provider(s) of the Reserve Account Credit Facility Substitute have been satisfied.

Sale of the System

Except as otherwise provided in the Resolution, the System may be sold, leased or otherwise disposed of, only as a whole or substantially as a whole, and only if the net proceeds to be realized, together with other moneys lawfully available for such purpose, if any, shall be sufficient to retire all of the Bonds issued to the Resolution and to pay all interest thereon to their respective dates of maturity or earlier redemption dates in the manner provided in Part II of the Resolution. The proceeds from such sale, lease or other disposition of the System and such other available moneys shall be applied in the manner provided in Part II of the Resolution, and shall be used solely for the purposes of paying the principal of the Bonds, the interest thereon and redemption premiums, if any, as same shall become due on the Bonds on or prior to the redemption date or the maturity date thereof as shall be hereafter determined by subsequent proceedings of the Board.

Except as provided in the Resolution, prior to lease or other disposition of any part of the System or any portion thereof, which is presently being used in connection with operations of the System or is contemplated to be used within Fiscal Year for the operations of the System (herein referred to as "Property In Use"), if the amount to be received from such sale, lease or other disposition of any part of the System is not in excess of \$300,000, the duly authorized person in charge of the System shall make a finding in writing determining that such property comprising a part of such System is no longer necessary or useful or profitable in the operation thereof or that other properties of the System can be substituted (in the written opinion of the Consultant) for such Property In Use, the Board shall approve and concur in the finding of such duly authorized person, and authorize such sale, lease or other disposition of said property, and such proceeds shall be deposited in the Sinking Fund to the extent of any deficiencies therein and then in the Capital Improvement Fund and used in the manner provided therein. For the purpose of this paragraph, only a lease with a term greater than one year will be considered a "lease" within the meaning of this paragraph. In determining whether the amount received is "not in excess of \$300,000," when the sale, lease or other disposition results in lease payments or other payments over time, the County shall annualize the largest amount of such payments over a twelve (12) month period and treat such annualized amount as the consideration received from such disposition.

If the amount to be received from such sale, lease or other disposition of said Property In Use shall be in excess of \$300,000, the duly authorized person in charge of such System, shall first make a finding in writing determining that such property comprising a part of such System is no longer necessary or useful or profitable in the operation thereof, which finding shall be approved by the Consultant or that other properties of the System can be substituted (in the written opinion of the Consultant) for such Property In Use, and the Board shall, by resolution duly adopted, approve and concur in the findings of such duly authorized person, and authorize such sale, lease or other disposition of said property and such proceeds shall, to the extent permitted under the Code be deposited into the Interest Account or Principal Account, or Bond

Redemption Account, and used in the manner provided therein, and to the extent such deposits would adversely affect the exclusion from gross income of interest on any Series of Bonds, such amounts shall be deposited in the Capital Improvement Bonds and used to purchase and retire Bonds. For the purpose of this paragraph, only a lease with a term greater than one year will be considered a “lease” within the meaning of this paragraph. In determining whether the amount received is “in excess of \$300,000,” when the “sale, lease or other disposition” results in lease payments or other payments over time, the County shall annualize the largest amount of such payments over a twelve (12) month period and treat such annualized amount as the consideration received from such disposition.

Any disposition of Property In Use shall be for fair and reasonable consideration, as determined by the Board.

In connection with the sale, lease or disposition of any part of the System or any portion thereof, which is not presently being used in connection with the operations of the System or is not contemplated to be used in the future for the operations of the System (herein referred to as “Property Not In Use”), as determined by the Consultant), the Board shall, by subsequent proceedings, authorize the disposition of such Property Not In Use. Except as provided in the next succeeding paragraph, any disposition of Property Not In Use shall be for fair and reasonable consideration, as determined by a finding in writing by the Board upon the advice of the consultant. The proceeds from the disposition of any Property Not In Use shall be deposited in the Capital Improvement Fund.

Notwithstanding any provision in the Resolution to the contrary, the County may, by subsequent proceedings of the Board, use or permit the use thereof, as the case may be (other than by a fee simple disposition), or lease, for any County or not-for-profit purpose any part of the System, provided such use or lease does not interfere with the operations of the System. Such use or lease of any part of the System may be for nominal consideration.

Issuance of Other Obligations Payable out of Net Revenues

The County has covenanted in the Resolution that it will not issue any other obligations, except upon the conditions provided therein, payable from the Net Revenues nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority or being on a parity with the lien of the Bonds issued pursuant to the Resolution and the interest thereon upon any of the Net Revenues.

Issuance of Pari Passu Additional Bonds

No pari passu additional Bonds (as herein defined), payable pari passu with Bonds out of Net Revenues shall be issued after the issuance of any Bonds pursuant to the Resolution except upon the conditions and in the manner provided in the Resolution.

No such pari passu additional Bonds shall be issued unless the following conditions are complied with:

(a) The County must be current in all deposits into the various funds and accounts and all payments required to have been theretofore deposited or made by it under the provisions

of the Resolution and any supplemental resolutions hereafter adopted for the issuance of pari passu additional Bonds and has complied with the covenants and provisions of the Resolution, and any supplemental resolutions hereafter adopted for the issuance of pari passu additional Bonds.

(b) The amount of the Net Revenues as received during any twelve (12) consecutive months of the twenty-four months immediately preceding the issuance of said pari passu additional Bonds, as certified by the Clerk and as may be adjusted, as hereinafter provided, will be equal to one hundred fifteen per centum (115%) of the Maximum Annual Debt Service Requirement; on (1) the Bonds originally issued pursuant to the Resolution then Outstanding, (2) any pari passu additional Bonds theretofore issued and then Outstanding, and (3) the pari passu additional Bonds then proposed to be issued; provided that for the purpose of determining the Maximum Annual Debt Service Requirement under the Resolution, the interest rate on Variable Rate Bonds then Outstanding shall be the greater of (i) the average daily interest rate on such Variable Rate Bonds during the preceding Fiscal Year or (ii) the actual rate of interest applicable to such Variable Rate Bonds on the date of issuance of such Variable Rate Bonds; and provided, further, that if pari passu additional Variable Rate Bonds are to be issued the interest rate thereon shall be calculated in accordance with the 30 year Revenue Bond Index as published by The Bond Buyer as of the last week of the month preceding the date of issuance of such Variable Rate Bonds, or if that index is no longer published, the interest rate as of the last week of such month as published in an index that is deemed to be substantially equivalent.

(c) In the event any pari passu additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the condition of (b) above shall not apply, provided that the issuance of such pari passu additional Bonds shall result in a reduction or shall not increase the annual debt service payments over the life of the Bonds so refunded.

The adjustment of Net Revenues which are permitted by the foregoing subparagraph (b) of this caption, shall be certified to the County by the Consultant and shall be computed as follows:

(a) If the County, prior to the issuance of the proposed pari passu additional Bonds, shall have increased the rates, fees, rentals or other charges for the services and/or use of the Facilities of the System, the Net Revenues for the twelve (12) consecutive months immediately preceding the issuance of the pari passu additional Bonds shall be adjusted to include the Net Revenues which would have been derived from said System in such twelve (12) consecutive months as if such increased rates, fees, rentals or other charges for the services and/or use of the Facilities of the System had been in effect during all of such twelve (12) consecutive months.

(b) If the County shall have acquired or has contracted to acquire any privately or publicly owned existing water system, sewer system, solid waste collection and disposal system, stormwater retention system, or any other utility system that the County will consolidate with the System, the cost of which shall be paid from all or part of the proceeds of the issuance of the proposed pari passu additional Bonds, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said pari passu additional Bonds, shall be increased by adding to the Net Revenues for such twelve (12) consecutive months seventy-five percent (75%) of the Net Revenues for such twelve (12) consecutive months

seventy-five percent (75%) of the projected Revenues which would have been derived from the aforementioned existing systems as if such system had been operated by the County as a part of the System during such twelve (12) consecutive months.

(c) If the County shall have entered into a contract which contract shall be for a duration of not less than the final maturity of the pari passu additional Bonds authorized for the purposes of such financing from the date the issuance of the proposed pari passu additional Bonds, with any public body whereby the County shall have agreed to furnish services consistent with the services performed by the System, then the Net Revenues of the System during the twelve (12) consecutive months immediately preceding the issuance of the pari passu additional Bonds shall be increased by the least amount which the entity receiving such services shall guarantee to pay in any one year for the furnishing of the services by the County, after deducting from such payment the estimated proportion of operating expenses and repair, renewal and replacement cost attributable in such year to such services.

(d) If there is an estimated increase in Revenues to be received by the County, as a result of additions, extensions or improvements to the System during the period three (3) years from delivery of the pari passu additional Bonds and the Board has taken official action toward the increase in Revenues, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of said pari passu additional Bonds shall be increased by the average annual additional Net Revenues calculated for such three year period.

(e) If the County shall have (i) covenanted to levy Special Assessments against property to be benefited by the construction of additions, extensions and improvements to the System or to be specially benefited by the services provided by the System to such property, the cost of which shall be paid from the proceeds of the proposed pari passu additional Bonds, and (ii) pledged such Special Assessments to the payment of the Bonds, then the Net Revenues derived from the System during the twelve (12) consecutive months immediately preceding the issuance of such pari passu additional Bonds shall be increased by an amount equal to eighty percent (80%) of the least amount which the Consultant estimates will be received in any one year from the levy of the Special Assessments, such estimated amount to be the total amount of the Special Assessments to be collected in such year. The estimate of the Consultant shall be based upon the preliminary assessment role filed with the County prior to the imposition of such Special Assessments.

The term “pari passu additional Bonds,” as used in the Resolution, shall be deemed to mean additional obligations evidenced by Bonds or other form of indebtedness permitted under the Act issued under the provisions and within the limitations of the Resolution payable from the Net Revenues of the System pari passu with Bonds originally authorized and issued pursuant to the Resolution. Such Bonds shall be deemed to have been issued pursuant to the Resolution, the same as the Bonds originally authorized and issued pursuant to the Resolution, and all of the covenants and other provisions of Part II of the Resolution. All of such Bonds, regardless of the time or times of their issuance shall rank equally with respect to their lien on the Net Revenues of the System and their sources and security for payment therefrom without preference of any Bonds, over any other.

The term “pari passu additional Bonds,” as used in the Resolution, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the Net Revenues of the System is subject to the prior and superior lien on the Net Revenues for the payment of Bonds issued pursuant to the Resolution, and the County shall not issue any obligations whatsoever payable from the Net Revenues of the System, which rank equally as to lien on and source and security for their payment from such Net Revenues with Bonds issued pursuant to the Resolution except in the manner and under the conditions provided above.

In the event that the total amount of the Bonds authorized in the Resolution to be issued are not issued simultaneously but from time to time, such Bonds which are subsequently issued from time to time shall not be subject to the restrictions, conditions and limitations as to the issuance of pari passu additional Bonds, as provided above, provided that such Bonds which are subsequently issued shall be issued within six (6) months from the date the of the Bonds originally authorized under the Resolution are issued.

If, at any time, the County shall enter into an agreement or contract for an ownership interest in any public or privately owned water system, sewer system, solid waste disposal or collection system, stormwater retention system or such other utility system which the County proposes to consolidate into the System, whereby the County has agreed as part of the cost thereof to pay part of the debt service on the obligations of such public or privately owned system issued in connection therewith, such obligation to make payments shall, at the option of the County, be treated as either pari passu additional Bonds which must meet the requirements described above or be treated as junior, inferior and subordinate in all respects to the Bonds issued under the Resolution and to any other obligations hereafter issued by the County subject to the provisions of the Resolution.

Insurance

The County may carry such insurance as is ordinarily carried by private or public corporations owning and operating combined utility systems similar to the System with a reputable insurance carrier or carriers, including public and product liability insurance in such amounts as the County shall determine to be sufficient and such other insurance against loss or damage by fire, explosion (including underground explosion), hurricane, tornado or other hazards and risks, and said property loss or damage insurance shall be in an amount or amounts, as shall be determined by the County.

The County may, alternatively or additionally, establish certain levels of insurance for which the County may self-insure.

Books and Records

The County will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the County, in which complete and correct entries shall be made of all transactions relating to the System, in accordance with generally accepted accounting principles for governmental units, and any holder or holders of Bonds or their agents issued pursuant to the Resolution, shall have the right at reasonable times and under reasonable

conditions to inspect all records, accounts and data of the County relating to the operation of the System.

The County shall, within six (6) months after the close of each Fiscal Year, be required to obtain an audit by a qualified and independent firm of certified public accountants of the books, records and accounts of the System for the preceding Fiscal Year and the financial statement prepared by such certified public accountants shall be filed with the County, which such financial statement shall cover in reasonable detail the operation of the System, the funds and fund balances and the County shall make available upon request a reasonable summary thereof, to any Holder or Holders of the Bonds issued pursuant to the Resolution.

Operating Budget

The County shall annually, prior to the start of each Fiscal Year, prepare and adopt by proper proceedings of its governing body a detailed budget of the estimated expenditures for operation and maintenance of the System and budgeted reserves and the estimated Revenues of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor (including amounts in the Rate Stabilization Fund during the Rate Stabilization Withdrawal Cycle) in such budget without a written finding and recommendation by the director of the System or other duly authorized officer in charge thereof, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have approved such finding and recommendation. The County shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the holder or holders of Bonds who shall file his or her address with the County and request in writing that copies of all such budgets and resolutions be furnished him or them, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder or Holders of Bonds issued pursuant to the Resolution.

Maintenance of the System

The County will maintain the System in good condition and continuously operate the same in an efficient manner and at a reasonable cost as a County revenue producing enterprise.

Remedies

Any holder of Bonds issued under the Resolution, or any trustee acting for such Bondholders in the manner hereinafter provided, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in the Resolution, and may enforce and compel the performance of all duties required by the Resolution, or by any applicable statutes to be performed by the County or by any officer thereof, including the fixing, charging and collecting of rates, fees on other charges for the services and Facilities of the System.

In the event that default shall be made in the payment of the interest on or the principal of any of the Bonds issued pursuant to the Resolution, as the same shall become due, or in the making of the payments into any reserve or sinking fund or any other payments required to be made by the Resolution, or in the event that the County or any officer, agent or employee thereof shall fail or refuse to comply with the Resolution, or shall default in any covenant made in the Resolution, and in the further event that any such default shall continue for a period of sixty (60) days, any holder of such Bonds, or any trustee appointed to represent Bondholders as provided in the Resolution, shall be entitled as of right to the appointment of a receiver of the System in an appropriate judicial proceeding in a court of competent jurisdiction, whether or not such holder or trustee is also seeking or shall have sought to enforce any other right or exercise any other remedy in connection with Bonds issued pursuant to the Resolution.

Any receiver appointed as provided in the Resolution and shall hold, operate and maintain, manage and control the System, and each and every part thereof, and in the name of the County shall exercise all the rights and powers of the County with respect to the System as the County itself might do. Such receiver shall collect and receive all Revenues and maintain and operate the System in the manner provided in the Resolution, and comply under the jurisdiction of the court appointing such receiver, with all of the provisions the Resolution.

Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, except as provided in the Resolution, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the County and the Bondholders.

The holder or holders of Bonds in an aggregate principal amount of not less than fifty-one per centum (51%) of Bonds issued under the Resolution then Outstanding may by a duly executed certificate in writing appoint a trustee for holders of Bonds issued pursuant to the Resolution, with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders. Such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk.

Any exercise of a remedy as set forth in the Resolution shall be subject to the consent of the Credit Facility Issuer, if any, and the Credit Facility Issuer shall have the right, acting alone, to exercise said remedies as long as it has not defaulted in its obligations under its Credit Facility. If there are more than one Credit Facility Issuer providing Credit Facilities for the Bonds, only the consent of the Credit Facility Issuers providing Credit Facilities for more than fifty percent (50%) of the Bonds Outstanding shall be required.

Enforcement of Collections

The County has covenanted under the Resolution that will diligently enforce and collect all fees, rentals or other charges for the services or use of the Facilities of the System, and take all steps, actions and proceedings reasonably necessary for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State of Florida.

Designation of Disposal Sites

The County has covenanted under the Resolution that as long as any Bonds shall remain Outstanding under the Resolution, the County shall require that all wastes collected from any unincorporated area of the County be transferred to the System in a manner and form as may be mandated in accordance with the Act.

No Competing Utility Systems

To the extent permitted under applicable law, the County shall not construct, acquire, or operate, or permit or consent to the construction, acquisition or operation of, any plants, structures, facilities or properties which may compete or tend to compete with the System.

No Free Service

Unless otherwise provided by law, the County will not render or cause to be rendered any free services of any nature by its System, or any part thereof, nor will any preferential rates or charges be established for users of the same class, and in the event the County, or any department, agency or instrumentality, officer or employee thereof, shall avail itself of the System or services provided by said System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the County and any such department, agency, instrumentality, officer or employee; provided, however, that the aforementioned restrictions shall not affect any rights of person, firm or corporation under pre-existing agreements or contracts. Notwithstanding the creation of a Stormwater Management System and the combining thereof into the System, no user of the System shall be deemed to be receiving free service with respect to stormwater management until the Board enacts and implements rates for such service. Such charges shall be paid as they accrue, and the County shall transfer from legally available sources sufficient moneys to pay such charges. The revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other Revenues. Notwithstanding any of the foregoing, the County may from time to time establish different classes and subclasses of users with respect to rates and charges, as well as exempt users with respect to stormwater management and solid waste collection and disposal, as may be prescribed by law and/or by resolution or ordinance of the County, provided that the County finds a rational basis for such classes or subclasses, or exempt users, which would further the health, welfare or safety of the residents of the County.

Capital improvements made to the System by the County from legally available moneys to address potential public health problems, and which benefit indigent persons, shall not be considered free service to such persons within the meaning of the Resolution.

Modification or Amendment

Except as otherwise provided in the following paragraph hereof, no material modification or amendment of the Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of

interest thereon, or affecting the unconditional promise of the County to fix, maintain and collect fees, rentals and other charges for the System or to pay the interest of and principal on the Bonds, as the same mature or become due, from the Net Revenues or reduce the percentage of holders of Bonds required above for such modification or amendments, without the consent of the Holders of all the Bonds.

The Resolution may be amended, changed, modified and altered without the consent of the Owners of Bonds, (i) to cure any ambiguity, correct or supplement any provision contained in the Resolution which may be defective or inconsistent with any other provisions contained in the Resolution, (ii) to provide other changes which will not adversely affect the interest of such Owners, (iii) to implement a Credit Facility or a Reserve Account Credit Facility Substitute, (iv) to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes, (v) to implement or discontinue a Book-Entry System, or (vi) to secure or maintain a rating on the Bonds.

To the extent any Series of the Bonds are secured by a Credit Facility and such Bonds are then rated in as high a rating category in which such Bonds were rated at the time of initial issuance and delivery thereof, by any Rating Agency or Agencies rating such Series of Bonds, then the consent of the Credit Facility Issuer shall constitute the consent of the Holders of such Series of Bonds to the extent the terms and provisions of the commitment of the Credit Facility Issuer so provide; and further, that such Credit Facility is not in default under its Credit Facility.

Notice of any amendment, change or modification to the Resolution made pursuant to the second paragraph under this heading shall be given to the Credit Facility Issuer. Any modification or amendment to the Resolution made pursuant to the first paragraph under this heading shall require the prior written consent of the Credit Facility Issuer if the Bondholders' consent shall be sought rather than the consent of the Credit Facility Issuer in lieu thereof. Copies of any amendments made under this heading shall be provided to S&P as soon as practical.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

FORM OF BOND COUNSEL OPINION

Upon delivery of the Series 2017 Bonds (as defined below) in definitive form, Greenberg Traurig, P.A., as Bond Counsel, proposes to render its final approving opinion with respect to such Series 2017 Bonds in substantially the following form:

_____, 2017

Board of County Commissioners of
Manatee County, Florida
Bradenton, Florida 34206

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Board of County Commissioners (the “Board”) of Manatee County, Florida (the “County”), and other proofs submitted to us relative to the issuance and sale of:

\$ _____
MANATEE COUNTY, FLORIDA
Public Utilities Revenue Refunding Bonds,
Series 2017

Said Series 2017 Bonds (the “Series 2017 Bonds”) are issued under and pursuant to the Resolution hereinafter referred to. We have also reviewed such other documents and matters of law as we have considered necessary or appropriate for the purpose of this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the herein described Resolution.

On January 15, 1991, the Board adopted Resolution No. R-91-21 entitled: A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AUTHORIZING THE CREATION OF A MANATEE COUNTY PUBLIC UTILITIES SYSTEM CONSISTING OF THE COUNTY’S EXISTING WATER AND SEWER SYSTEM AND ALL FACILITIES PRESENTLY OWNED BY MANATEE COUNTY, FLORIDA, RELATING TO THE COLLECTION, CONTROL AND DISPOSAL OF SOLID WASTE AND STORMWATER RUNOFF; PROVIDING FOR THE ADDITION OF OTHER COUNTY UTILITY OPERATIONS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM IN THE FUTURE; AUTHORIZING THE ISSUANCE FROM TIME

TO TIME OF MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING OR REFINANCING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; AUTHORIZING THE FIRST, SECOND AND THIRD SERIES OF MANATEE COUNTY PUBLIC UTILITIES REVENUE REFUNDING AND IMPROVEMENT BONDS IN THE INITIAL AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$200,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING MANATEE COUNTY, FLORIDA, WATER AND SEWER REVENUE BONDS AND MAKING CERTAIN IMMEDIATE ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR THE TERMS AND PAYMENT FOR ALL MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF SAID MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING THAT THE FIRST AND SECOND SERIES OF PUBLIC UTILITIES REVENUE BONDS SHALL BE SECURED ONLY BY A PLEDGE OF THE NET REVENUES AND FACILITY INVESTMENT FEES OF THE COUNTY'S WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE, as amended and supplemented prior to December 12, 2017 (herein, the "Original Resolution"), which Original Resolution was supplemented by the Board on December 12, 2017, by the adoption of Resolution No. R-17-147, authorizing the issuance of the Series 2017 Bonds (said Original Resolution and such other mentioned resolutions as may be further amended and supplemented, are herein, collectively, referred to as the "Resolution").

On April 11, 1991, the County issued its Public Utilities Revenue Improvement Bonds, Series 1991 A, in the initial aggregate principal amount of \$44,685,000 (the "Series 1991 A Bonds") pursuant to the provisions of the Original Resolution.

On May 9, 1991, the County issued its Public Utilities Revenue Refunding Bonds, Series 1991 B, in the initial aggregate principal amount of \$37,840,000 (the "Series 1991 B Bonds") pursuant to the provisions of the Original Resolution.

On July 2, 1991, the County issued its Public Utilities Revenue Refunding and Improvement Bonds, Series 1991 C, in the initial aggregate principal amount of \$62,663,809.15 (the "Series 1991 C Bonds") pursuant to the provisions of the Original Resolution.

On July 9, 1992, the County issued its Public Utilities Revenue Bonds, Series 1992 A, in the initial aggregate principal amount of \$5,875,000 (the "Series 1992 A Bonds") pursuant to the provisions of the Original Resolution.

On October 13, 1993, the County issued its Public Utilities Revenue Refunding Bonds, Series 1993 A, in the initial aggregate principal amount of \$51,152,343.50 (the “Series 1993 A Bonds”) pursuant to the provisions of the Original Resolution.

On August 8, 2001, the County issued its Public Utilities Revenue Refunding Bonds, Series 2001 A, in the initial aggregate principal amount of \$16,620,000 (the “Series 2001 A Bonds”) pursuant to the provisions of the Original Resolution.

On October 1, 2003, the County issued its Public Utilities Revenue Refunding and Improvement Bonds, Series 2003, in the initial aggregate principal amount of \$74,545,000 (the “Series 2003 Bonds”) pursuant to the provisions of the Original Resolution.

On September 13, 2006, the County issued its Public Utilities Revenue Bonds, Series 2006, in the initial aggregate principal amount of \$44,895,000 (the “Series 2006 Bonds”) pursuant to the provisions of the Original Resolution.

On December 29, 2010, the County issued its Federally Taxable - Direct Payment - Public Utilities Revenue Improvement Build America Bonds, Series 2010 A, in the initial aggregate principal amount of \$17,925,000 (the “Series 2010A Bonds”), its Federally Taxable - Direct Payment - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010 B, in the initial aggregate principal amount of \$45,300,000 (the “Series 2010B Bonds”), its Public Utilities Revenue Improvement Bonds, Series 2010 C, in the initial aggregate principal amount of \$6,720,000, and its Taxable Public Utilities Revenue Improvement Bonds, Series 2010 D, in the initial aggregate principal amount of \$8,190,000 (collectively, the “Series 2010 Bonds”) all pursuant to the provisions of the Original Resolution.

On December 14, 2011, the County issued its Public Utilities Revenue Refunding Bonds, Series 2011, in the initial principal amount of \$22,650,000 (the “Series 2011 Bonds”) pursuant to the provisions of the Original Resolution.

On April 22, 2015, the County issued its Public Utilities Revenue Refunding and Improvement Bonds, Series 2015, in the initial principal amount of \$91,485,000 (the “Series 2015 Bonds”) pursuant to the provisions of the Original Resolution.

The Series 2017 Bonds are being issued for the purpose of (i) advance refunding, on a cross-over basis, the callable Series 2010A Bonds and all of the Series 2010B Bonds, (ii) funding interest on the Series 2017 Bonds to the Cross-Over Date, and (iii) paying a portion of the costs of issuance of such Series 2015 Bonds.

The outstanding Series 2010 Bonds, the Series 2011 Bonds and the outstanding Series 2015 Bonds are collectively referred to herein as the “Outstanding Bonds.”

The Series 2017 Bonds are dated the date of delivery to the original purchasers thereof. Said Series 2017 Bonds are issued as fully registered bonds in book-entry form only and shall be in the denomination of \$5,000 each, or any integral multiple thereof, bear interest at the rates per annum set forth below payable on April 1, 2018, and each October 1 and April 1 thereafter, and mature on October 1 in the years and amounts as provided below:

Maturity

Principal Amount

Interest Rate

Principal of the Series 2017 Bonds will be payable at the designated corporate trust office of U.S. Bank National Association. Interest on the Series 2017 Bonds will be payable by check or draft mailed to the registered owners of the Series 2017 Bonds, at their addresses as they appear on the registration books of the County kept by U.S. Bank National Association, as Registrar, on the fifteenth day of the calendar month preceding each interest payment date.

Certain of the Series 2017 Bonds are subject to optional redemption and [mandatory sinking fund redemption] in the manner set forth in the Resolution.

Notice of redemption of the Series 2017 Bonds shall be mailed, postage prepaid, by the Registrar not less than thirty (30) days before the date fixed for redemption to the registered owners of any Series 2017 Bonds or portions of the Series 2017 Bonds which are to be redeemed, at their addresses as they appear fifteen (15) days prior to the date such notice is mailed on the registration books of the County kept by the Registrar. Failure of the registered owners of any Series 2017 Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of the Series 2017 Bonds for which proper notice has been given. Interest shall cease to accrue on any of the Series 2017 Bonds called for prior redemption if payment of the redemption price has been duly made or provided for.

We have also examined Bond No. R-1 of the Series 2017 Bonds as executed.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance of the Series 2017 Bonds pursuant to the Constitution and Statutes of the State of Florida, particularly, Chapter 125, Florida Statutes, as amended and supplemented; Part VII of Chapter 159, Florida Statutes, as amended and supplemented; Chapter 63-1598, Laws of Florida, Act of 1963, as amended and supplemented; Chapter 197, Florida Statutes, as amended and supplemented; Chapter 403, Florida Statutes, as amended and supplemented; the Resolution; Ordinance No. 85-11, enacted by the Board on April 23, 1985, and Ordinances No. 91-25, No. 91-26, and No. 91-27, each enacted by the Board on January 15, 1991, as such ordinances may be amended and supplemented from time to time, and other applicable provisions of law; and that said Series 2017 Bonds are legal, valid, binding and enforceable

obligations of the County payable from a first lien on, and pledge of, the Net Revenues, all in the manner as provided in Part II of the Original Resolution, as supplemented and the interest on the Series 2017 Bonds is also payable from the escrow fund established under that certain Escrow Deposit Agreement dated as of December 1, 2017 (the “Escrow Agreement”) with the escrow agent named therein until and including the applicable Cross-Over Date (as defined in the Escrow Agreement).

We are further of the opinion that the County, in Part II of the Original Resolution, has validly covenanted and is legally obligated, as long as any of the Outstanding Bonds and the Series 2017 Bonds (hereinafter, collectively, referred to as the “Bonds”) are outstanding and unpaid, to fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and Facilities of the System, and to revise the same from time to time whenever necessary, as will always provide in each Fiscal Year, Net Revenues, which for this purpose shall include any Federal Direct Payments received by the County and deposited into the Federal Direct Payments Account of the Sinking Fund and Federal Direct Payments the County reasonably expects to receive based on all relevant facts and circumstances existing at that time, which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement for the Bonds and any pari passu additional Bonds hereafter issued; and that such Net Revenue shall be sufficient to make all of the payments required by the terms of Part II of the Original Resolution, and that such rates, fees, rentals or other charges shall not be so reduced as to be insufficient for such purposes.

We are further of the opinion that the Series 2017 Bonds are on a parity and rank equally as to security and payment with the Outstanding Bonds, other than with respect to each Debt Service Reserve Account established for each Series of Bonds, as provided in the Resolution, and that under the terms, restrictions and conditions contained in Part II of the Original Resolution, the County may hereafter issue pari passu additional bonds which will rank equally with the Bonds with respect to their lien on the Net Revenues of the System and their sources and security for payment therefrom; that except for such pari passu additional bonds, any other obligations hereafter issued by the County payable from the Net Revenues of the System will be junior, inferior and subordinate in all respects to the Bonds as to their lien on and source and security for payment from the Net Revenues.

The County has entered into certain other covenants with the owners of the Series 2017 Bonds for the exact terms of which reference is made to the Resolution.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2017 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2017 Bonds. The County has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2017 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming compliance with the aforementioned covenants contained in the Resolution, interest on the Series 2017 Bonds is excluded from

gross income for federal income tax purposes. The Series 2017 Bonds are not “specified private activity bonds” within the meaning of Section 57(a)(5) of the Code and, therefore, the interest on the Series 2017 Bonds will not be treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed by Section 55 of the Code, and such interest on the Series 2017 Bonds is not taken into account in determining adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations.

We are also of the opinion that the Series 2017 Bonds and the interest thereon are exempt from taxation under existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, banks and savings associations.

Except as stated in the preceding three paragraphs, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Series 2017 Bonds.

We wish to call to your attention that Series 2017 Bonds do not constitute an indebtedness of the County within the meaning of any constitutional, statutory, charter or other limitation of indebtedness, but shall be payable solely from the Net Revenues and, with respect to interest on the Series 2017 Bonds, from the moneys and securities on deposit under the Escrow Agreement to and including the applicable Cross-Over Date, all as provided in the Resolution. No Holder or Holders of any Series 2017 Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the County, or taxation in any form of any real property therein to pay the Series 2017 Bonds or the interest thereon.

The opinions expressed herein regarding enforceability may be subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors’ rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

Respectfully yours,

GREENBERG TRAURIG, P.A.

MANATEE COUNTY, FLORIDA

and

U.S. BANK NATIONAL ASSOCIATION
as Escrow Agent

ESCROW DEPOSIT AGREEMENT

DATED AS OF DECEMBER 1, 2017

THIS ESCROW DEPOSIT AGREEMENT (herein, the “Agreement”), made and entered into as of December 1, 2017, by and between the MANATEE COUNTY, FLORIDA, a political subdivision of the State of Florida, and its successors and assigns (the “County”), and U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States with a designated principal corporate trust office in New York, New York, as escrow agent hereunder, and its successors and assigns (the “Escrow Agent”):

WITNESSETH:

WHEREAS, any term not defined in the following recitals shall have the meaning ascribed to such term in Article I hereof; and.

WHEREAS, the Board of County Commissioners (the “Board”) of the County, did on the 15th day of January, 1991, adopt a resolution entitled “A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AUTHORIZING THE CREATION OF A MANATEE COUNTY PUBLIC UTILITIES SYSTEM CONSISTING OF THE COUNTY’S EXISTING WATER AND SEWER SYSTEM AND ALL FACILITIES PRESENTLY OWNED BY MANATEE COUNTY, FLORIDA, RELATING TO THE COLLECTION, CONTROL AND DISPOSAL OF SOLID WASTE AND STORMWATER RUNOFF; PROVIDING FOR THE ADDITION OF OTHER COUNTY UTILITY OPERATIONS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM IN THE FUTURE; AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS FOR THE PURPOSE OF FINANCING OR REFINANCING ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; AUTHORIZING THE FIRST, SECOND AND THIRD SERIES OF MANATEE COUNTY PUBLIC UTILITIES REVENUE REFUNDING AND IMPROVEMENT BONDS IN THE INITIAL AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$200,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING MANATEE COUNTY, FLORIDA, WATER AND SEWER REVENUE BONDS AND MAKING CERTAIN IMMEDIATE ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE MANATEE COUNTY WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR THE TERMS AND PAYMENT FOR ALL MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS ISSUED HEREUNDER; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF SAID MANATEE COUNTY PUBLIC UTILITIES REVENUE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING THAT THE FIRST AND SECOND SERIES OF PUBLIC UTILITIES REVENUE BONDS SHALL BE SECURED ONLY BY A PLEDGE OF THE NET REVENUES AND FACILITY INVESTMENT FEES OF THE COUNTY’S WATER AND SEWER SYSTEM PRIOR TO THE CREATION OF THE MANATEE COUNTY PUBLIC UTILITIES SYSTEM; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE” (the “1991 Resolution”); and

WHEREAS, the 1991 Resolution was amended and supplemented by Resolution No. R-91-77, Resolution No. R-91-99, Resolution No. R-91-132, Resolution No. R-91-140, Resolution No. R-92-116, Resolution No. R-92-152, Resolution No. R-93-230, Resolution No. R-93-256,

Resolution No. R-01-150, Resolution No. R-03-164, Resolution No. R-03-165, Resolution No. R-10-233, Resolution No. R-10-238, Resolution No. R-11-25 and Resolution No. 15-001, duly adopted by the Board on April 9, 1991, May 2, 1992, June 4, 1991, June 13, 1991, June 2, 1992, June 30, 1992, August 31, 1993, September 23, 1993, July 3, 2001, September 9, 2003, September 9, 2003, November 9, 2010, November 16, 2010, October 25, 2011 and March 24, 2015, respectively; and

WHEREAS, the 1991 Resolution, as amended and supplemented by Resolution No. R-91-77, Resolution No. R-91-99, Resolution No. R-91-132, Resolution No. R-91-140, Resolution No. R-92-116, Resolution No. R-92-152, Resolution No. R-93-230, Resolution No. R-01-150, Resolution No. R-03-164, Resolution No. R-03-165, Resolution No. R-10-233, Resolution No. R-10-238, Resolution No. R-11-255 and Resolution No. R-15-001, is herein, collectively, referred to as the “Original Resolution,” to the extent such resolutions are still applicable because the underlying Bonds are still Outstanding, and Resolution No. R-10-233 and Resolution No. R-10-238 are herein separately called the “2010 Resolution”; and

WHEREAS, the Original Resolution was supplemented by the Board on December 12, 2017 by the adoption of Supplemental Public Utilities System Revenue Refunding Bond Resolution No. R-17-147 (the “Supplemental Resolution”), for the purpose of authorizing a fourteenth Series of Bonds under the Original Resolution entitled Public Utilities Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), in the aggregate initial principal amount of not exceeding \$75,000,000; and

WHEREAS, the Board has determined it to be in the best interest of the County to issue its Series 2017 Bonds in an initial aggregate principal amount of \$_____ for the purpose, among other things, of advance refunding, on a cross-over basis, the Refunded Bonds (as defined below) pursuant to the terms of the Original Resolution, the Supplemental Resolution, and this Agreement; and

WHEREAS, the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A (the “Series 2010A Bonds”) and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the “Series 2010B Bonds” and, together with the Series 2010A Bonds, excluding the Series 2010A Bonds maturing on October 1, 2020, the “Refunded Bonds”), are subject to redemption at the option of the County in whole or in part, and if in part, on October 1, 2020, from funds legally available for such purpose including the proceeds of refunding bonds; and

WHEREAS, under certain circumstances, as described in the 2010 Resolution and this Agreement, the Series 2010A Bonds and Series 2010B Bonds may be subject to extraordinary optional redemption at the election of the County prior to October 1, 2020 (such October 1, 2020 or earlier redemption date is herein referred to as the “Cross-Over Date”) upon the occurrence of an Extraordinary Event (as defined herein); and

WHEREAS, the Original Resolution provides that, among other things, all Refunded Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning of such resolution if there is deposited moneys or Defeasance Obligations (as such

term is defined in the Original Resolution) which such term includes direct obligations, the payment of principal and interest on which is fully and unconditionally guaranteed by the United States of America (the "U.S. Obligations"), the principal of and the interest on which when due will provide moneys which, together with any other moneys deposited with the Escrow Agent, shall be sufficient to pay the principal of the Refunded Bonds on the October 1, 2020 Cross-Over Date; and

WHEREAS, the Board has determined it to be in the best economic interest of the County to pay the interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and to pay and redeem the principal amount of the Refunded Bonds on the applicable Cross-Over Date, as more particularly described on Schedule A attached hereto, all in accordance with the terms and provisions of the Original Resolution, the 2010 Resolution, the Supplemental Resolution, and this Agreement; and

WHEREAS, the County has determined to provide for the payment of interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and the payment of the Refunded Bonds on such Cross-Over Date or by depositing a portion of the proceeds from the Series 2017 Bonds which shall be used in part to purchase U.S. Obligations, which U.S. Obligations and money shall be sufficient, as verified by Causey, Demgen & Moore, P.C. in its report dated December 28, 2017, to pay the interest on the Series 2017 Bonds to the applicable Cross-Over Date, as the same becomes due and payable from the date of this Agreement, and to pay the outstanding principal amounts of the Refunded Bonds on such Cross-Over Date at par, pursuant to the Original Resolution, the 2010 Resolution and this Agreement; and

WHEREAS, the Escrow Agent shall not pay from the Trust Fund the Series 2010A Bonds maturing on October 1, 2020, any make-whole premium on any of the Refunded Bonds or any accrued interest thereon; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in the trust created herein, the maturing principal amount of the U.S. Obligations purchased thereby, and investment income and earnings derived therefrom to the payment of interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and pay the principal on the Refunded Bonds on such Cross-Over Date, it is necessary for the County to enter into this Escrow Deposit Agreement with the Escrow Agent on behalf of the holders from time to time of the Series 2017 Bonds and the Refunded Bonds.

NOW, THEREFORE, the County, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and the payment of the principal of the Refunded Bonds on such Cross-Over Date according to their tenor and effect, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alienate, pledge, set over and confirm, unto the Escrow Agent, and to its successors in the trusts hereby created, and to it and its assigns forever, all and singular the property hereinafter described to wit:

DIVISION I

All right, title and interest of the County in and to \$_____ derived from the proceeds of the sale of the Series 2017 Bonds.

DIVISION II

All right, title and interest of the County in and to all income, earnings and increment derived from or accruing to the U.S. Obligations purchased from the money (except for certain uninvested cash balances) described in Division I hereof and more particularly described in Schedule B attached hereto and made a part hereof.

DIVISION III

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the County or by anyone in its behalf to the Escrow Agent, which is hereby authorized to receive the same at any time as additional security hereunder.

DIVISION IV

All property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subject to the pledge hereof, by the County or by anyone in its behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the Trust Estate (as such term is hereinafter defined), including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement, unto the Escrow Agent, and its successors and assigns, forever in trust, however, for the benefit and security of the holders from time to time of the Series 2017 Bonds (solely with respect to interest on such Series 2017 Bonds) and for the benefit and security of the holders of the Refunded Bonds on the applicable Cross-Over Date (solely with respect to principal of such Refunded Bonds); but if the Refunded Bonds shall be fully and promptly paid when due in accordance with the terms thereof and hereof and all other obligations are performed hereunder, then this Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS; FINDINGS AND DETERMINATIONS BY THE COUNTY

SECTION 1.01. Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended.

“Act” shall have the meaning ascribed to such term in the Original Resolution for application in Part II thereof.

“Agreement” shall mean this Escrow Deposit Agreement, dated as of December 1, 2017, between the County and the Escrow Agent.

“Annual Debt Service” shall mean, as to the Series 2017 Bonds, interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and on such Cross-Over Date, the payment of all principal on the Refunded Bonds, as shown on Schedule C attached hereto and hereby made a part hereof.

“Extraordinary Event” shall mean if a material adverse change has occurred to Sections 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to Build America Bonds) or other applicable provisions of the Code pursuant to which the County’s 35% Federal Direct Payments with respect to the Series 2010 A Bonds and the County’s 45% Federal Direct Payments with respect to the Series 2010 B Bonds, as applicable, from the United States Treasury are materially reduced or eliminated.

“Paying Agent for the Refunded Bonds and Series 2017 Bonds” shall mean the entity identified as such in Section 3.08 hereof.

“Total Debt Service” shall mean, as of any date during the period from the date of this Agreement until the applicable Cross-Over Date, the sum of the Annual Debt Service then remaining unpaid with respect to the Series 2017 Bonds and the principal of the Refunded Bonds, all as shown on Schedule C attached hereto and hereby made a part hereof. No interest on the Series 2017 Bonds shall be paid from the Trust Fund beyond the applicable Cross-Over Date. No make-whole premium, if any, or accrued interest on the Refunded Bonds shall be paid from the Trust Fund on the applicable Cross-Over Date.

“Trust Estate,” “trust estate” or “pledged property” shall mean ‘the property, rights and interest of the County which are subject to the lien of this Agreement. Prior to the applicable Cross-Over Date the holders of the Refunded Bonds shall not have any claim on the Trust Estate.

“U.S. Obligations” shall mean non-callable, non-prepayable, direct obligations of, or non-callable, non-prepayable obligations the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America, constituting part of the Trust Estate. The initial U.S. Obligations are described in Schedule B attached hereto. U.S. Obligations shall not include investments in mutual funds or unit investment trusts.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word “person” shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II ESTABLISHMENT OF TRUST FUND; FLOW OF FUNDS

SECTION 2.01. Creation of Escrow Deposit Trust Fund. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the Escrow

Deposit Trust Fund (the “Trust Fund”), to be held in the custody of the Escrow Agent and accounted for separate and apart from other funds of the County or of the Escrow Agent.

SECTION 2.02. Deposit of Moneys and Payment of Refunded Bonds. Concurrently with the execution of this Agreement, the County herewith deposits or causes to be deposited with the Escrow Agent into the Trust Fund, and the Escrow Agent acknowledges receipt of \$ _____ derived from a portion the proceeds of the Series 2017 Bonds [and \$ _____ constituting the Transferred Moneys], to be used in part to purchase the U.S. Obligations, as described on Schedule B in the maturing principal amounts of \$ _____, and the balance of such deposit in the amount of \$ _____ shall be held as immediately available moneys. The purchase of the U.S. Obligations and cash being derived from a portion of the proceeds of the Series 2017 Bonds deposited into the Trust Fund will, according to the opinion of Causey, Demgen & Moore, P.C., set forth in its report dated December 28, 2017, provide moneys sufficient to pay the Total Debt Service. Money representing beginning cash balances and any other moneys not directed to be invested hereunder shall remain uninvested until applied in accordance with the terms hereof.

SECTION 2.03. Irrevocable Trust Created. The deposit of the cash and U.S. Obligations in the Trust Fund shall constitute an irrevocable deposit of said cash and U.S. Obligations for the benefit of the holders of the Series 2017 Bonds to and including the applicable Cross-Over Date and for the benefit of the Refunded Bonds on such same Cross-Over Date, except as provided herein with respect to substitutions permitted under Section 2.05 hereof and amendments permitted under Section 4.01 hereof. The holders of the Series 2017 Bonds shall have a lien on the principal of and earnings on the U.S. Obligations and the cash deposited in the Trust Fund until applied in accordance with this Agreement and the applicable terms and provisions of the Original Resolution and Supplemental Resolution. After the holders of the Series 2017 Bonds have been paid or there is sufficient moneys in the Trust Fund to pay all accrued interest to and including the applicable Cross-Over Date, the holders of the Refunded Bonds shall have a lien on the balance of the Trust Estate in accordance with this Agreement, the 2010 Resolution and the Supplemental Resolution solely with respect to the redemption price.

SECTION 2.04. Purchase of U.S. Obligations. The County hereby directs the Escrow Agent to immediately purchase and the Escrow Agent hereby acknowledges the purchase of the U.S. Obligations listed on Schedule B from the moneys transferred to the Escrow Agent from the County in the manner described in Section 2.02 hereof. The Escrow Agent shall apply the moneys deposited in the Trust Fund and the aforementioned U.S. Obligations, together with all income or earnings thereon, if any, in accordance with the provisions hereof and the Original Resolution. The Escrow Agent shall have no power or duty to invest or reinvest any moneys held hereunder or to make substitutions of the U.S. Obligations held hereunder or to sell, transfer or otherwise dispose of the U.S. Obligations acquired hereunder except as provided in this Agreement.

SECTION 2.05. Failure to Deliver Initial U.S. Obligations. In the event that there is a failure, for any reason, to deliver any of the U.S. Obligations, as set forth in Schedule B (the “Initial U.S. Obligations”) hereto, at the time of delivery of the Series 2017 Bonds, the Escrow Agent is hereby authorized to accept other U.S. Obligations (the “Substitute Securities”) and/or cash in substitution for the Initial U.S. Obligations. Such substitution is subject to receipt by the County and the Escrow Agent of an independent verification by a nationally recognized certified public

accounting firm acceptable to Greenberg Traurig, P.A. that the Substitute Securities and/or cash, together with any other U.S. Obligations and cash on deposit with the Escrow Agent, will be sufficient, without reinvestment, to meet the requirements for payment of the interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and principal of the Refunded Bonds on such Cross-Over Date in accordance with the terms of this Agreement. At any time prior to maturity of the Substitute Securities and/or cash, the County shall have the ability in writing to direct the Escrow Agent to exchange any of the Substitute Securities and/or cash delivered for all or any part of the Initial U.S. Obligations. However, such exchange will be subject to the receipt by the County and the Escrow Agent of an independent verification by a nationally recognized independent certified public accounting firm acceptable to Greenberg Traurig, P.A. to the effect that the substitution of the Substitute Securities and/or cash for the Initial U.S. Obligations will be sufficient, without reinvestment, to meet the requirements for payments of interest on the Series 2017 Bonds to and including the Cross-Over Date and principal of the Refunded Bonds in accordance with the terms of this Agreement and the applicable provisions of the Original Resolution, including the 2010 Resolution and Supplemental Resolution. Further, such independent verification report must indicate that the return of any monies (generated by such Substitute Securities), in excess of the monies that would have been received on the Initial U.S. Obligations, to the County are not needed to pay the interest on the Series 2017 Bonds to and including the Cross-Over Date and principal of the Refunded Bonds when due in accordance with this Agreement and the applicable provisions of the Original Resolution, the 2010 Resolution and Supplemental Resolution. In addition, such return of the Substitute Securities and/or cash and any excess monies will not, as evidenced by an opinion from Greenberg Traurig, P.A. to the effect that, under the statutes, rules and regulations then in force and applicable to obligations issued on the dates of issuance of the Series 2017 Bonds and the Refunded Bonds and under the Internal Revenue Code of 1986, as amended (the "Code"), cause the interest on the Series 2017 Bonds not to be excluded from gross income for federal income tax purposes and such investment is not inconsistent with the statutes and regulations applicable to the Series 2017 Bonds. Such opinion shall also state that such substitution will not cause the Series 2010A Bonds to fail to qualify as Build America Bonds and the Series 2010B Bonds to qualify as Recovery Zone Economic Development Bonds.

SECTION 2.06. Transfers from Trust Fund. As the principal of the U.S. Obligations listed in Schedule B matures and is paid, and the investment income and earnings thereon, if any, are paid, the Escrow Agent shall, no later than each interest payment date for the Series 2017 Bonds transfer from the Trust Fund, in accordance with the schedule of payments described in Schedule C attached hereto, to the Paying Agent for the Series 2017 Bonds an amount sufficient to pay the interest on the Series 2017 Bonds coming due on such interest payment date. On the applicable Cross-Over Date the Escrow Agent shall transfer the balance in the Trust Fund after paying all accrued interest on the Series 2017 Bonds to and including the applicable Cross-Over Date, to the Paying Agent for the Refunded Bonds to pay the outstanding principal of the Refunded Bonds. The Escrow Agent has relied on the opinion of Causey, Demgen & Moore, P.C., set forth in its report dated December 28, 2017, that the amount of money and securities on deposit herein and as reinvested in accordance with the terms hereof will be sufficient to pay Total Debt Service, and the Escrow Agent shall have no responsibility for an insufficiency of such amounts to pay Total Debt Service, provided the Escrow Agent performs in accordance with the provisions hereof.

Upon receipt of written notice from the County that an Extraordinary Event has occurred and that the County has determined to redeem the Refunded Bonds prior to October 1, 2020 as a result of the occurrence of the Extraordinary Event, the Escrow Agent shall timely redeem the Government Obligations held to the credit of the Escrow Deposit Trust Fund and apply the amounts received from such redemption and other cash in the Escrow Deposit Trust Fund to pay the accrued interest due and owing on the Series 2017 Bonds to the interest payment date which constitutes the earlier Cross-Over Date and then to redeem the Refunded Bonds on such date prior to October 1, 2020 as specified by the County in the written notice provided to the Escrow Agent. Upon receipt of notification that the County has determined to redeem the Refunded Bonds prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the Escrow Agent shall not pay any interest on the Series 2017 Bonds accruing after the date of redemption of the Refunded Bonds from amounts in the Trust Fund. The redemption price of the Refunded Bonds shall be calculated by the County pursuant to the make-whole provisions of the 2010 Resolution. If the redemption price as so calculated does not create greater savings to the County than if the Refunded Bonds were paid and redeemed on the October 1, 2020 Cross-Over Date, notwithstanding the occurrence of the Extraordinary Event, no extraordinary optional redemption shall occur. The County shall pay from Net Revenues (as defined in the Original Resolution) and from moneys on deposit in the reserve accounts established for Refunded Bonds, the Series 2010A Bonds maturing on October 1, 2020 (collectively with the Refunded Bonds, the "Prepaid Bonds") the accrued interest on the Prepaid Bonds and make-whole premium on the earlier Cross-Over Date upon the occurrence of an Extraordinary Event and a determination by the County to redeem the Prepaid Bonds and the Escrow Agent shall accept from the County such money for deposit into the Trust Fund, any additional moneys that may be required.

SECTION 2.07. Investment of Moneys remaining in Trust Fund. Subject to the requirements of this Section 2.07, the Escrow Agent shall, as directed in writing by the County, invest and reinvest any moneys remaining from time to time in the Trust Fund, until such time as they are needed. Such moneys shall be reinvested in direct obligations of, or obligations fully guaranteed by, the United States of America for such periods or at such interest rates or yields that the Escrow Agent shall be directed in writing to invest by the County, which securities or periods or interest rates or yields shall be set forth in an opinion to the County from Greenberg Traurig, P.A., which opinion shall also be to the effect that such reinvestment of such moneys will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the dates of issuance of the Series 2017 Bonds and under the Code, cause the interest on the Series 2017 Bonds not to be excluded from gross income for federal income tax purposes and that such investment is not inconsistent with the statutes and regulations applicable to the Series 2017 Bonds. Such reinvestment of moneys is subject to receipt by the County of an independent verification by a nationally recognized independent certified public accounting firm acceptable to Greenberg Traurig, P.A. Any interest income resulting from reinvestment of moneys, pursuant to this Section 2.07 shall be promptly transferred to the County and used for any purpose permitted under the Original Resolution and the Code, if such verification report indicates that such interest income is not needed for the purposes contemplated by this Agreement, provided that the Escrow Agent shall have no responsibility for the proper use by the County of money transferred to the County by the Escrow Agent.

SECTION 2.08. Trust Fund. The Trust Fund created and established pursuant to this Agreement shall be and constitute a trust fund for the purposes provided in this Agreement and

shall be kept separate and distinct from all other funds of the County and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

SECTION 2.09. Transfer of Funds after all Payments Required by this Agreement are Made. After all of the transfers by the Escrow Agent to the Paying Agent for the Series 2017 Bonds and the Refunded Bonds for the payment of the Total Debt Service relating to the Series 2017 Bonds and the Refunded Bonds have been made, all remaining moneys and U.S. Obligations, together with any income and interest thereon, in the Trust Fund shall be transferred to the County by the Escrow Agent; provided, however, that no such transfer (except transfers made in accordance with Sections 2.07 and 4.01 hereof) to the County shall be made until the applicable Total Debt Service on the Series 2017 Bonds and Refunded Bonds has been paid.

ARTICLE III CONCERNING THE ESCROW AGENT

SECTION 3.01. Appointment of Escrow Agent. The County hereby appoints U.S. Bank National Association, having a designated corporate trust office in [New York, New York,] as Escrow Agent under this Agreement.

SECTION 3.02. Acceptance by Escrow Agent. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary, to execute the trust hereby created.

SECTION 3.03. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investments in the Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

As long as the Escrow Agent applies (by transfer to the Paying Agent for the Series 2017 Bonds and the Refunded Bonds) any moneys, the U.S. Obligations and the interest earnings, if any, therefrom to pay the interest on the Series 2017 Bonds to and including the applicable Cross-Over Date and the principal of the Refunded Bonds, as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the interest on the Series 2017 Bonds to and including the Cross-Over Date and the principal of Refunded Bonds. Further, the Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the U.S. Obligations, and the earnings, if any, thereon, to pay the interest on the Series 2017 Bonds to and including the Cross-Over Date and the principal of Refunded Bonds in accordance with the terms of this Agreement.

In the event of the Escrow Agent's failure to account for any of the U.S. Obligations or moneys received by it, said U.S. Obligations or moneys shall be and remain the property of the County in trust for the holders of the Series 2017 Bonds until the applicable Cross-Over Date and

the holders of the Refunded Bonds after the payment of all accrued interest on Series 2017 Bonds to and including such Cross-Over Date, as herein provided, and if for any improper reason such U.S. Obligations or moneys are not applied as herein provided, the Escrow Agent shall be liable for the amount thereof until the required application shall be made.

Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the County. The Escrow Agent may conclusively rely, as to the correctness of statements, conclusions and opinions therein, upon any certificate, report, opinion or other document furnished to the Escrow Agent pursuant to any provision of this Agreement. The Escrow Agent shall be protected and shall not be liable for acting or proceeding, in good faith, upon such reliance and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Escrow Agent may consult with counsel, who may be counsel to the County or independent counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance herewith. Prior to retaining such independent counsel, the Escrow Agent shall notify the County of its intention.

The Escrow Agent and its successors, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, by reason of the execution and delivery of this Agreement, the establishment of the Trust Fund, the acceptance and disposition of the various moneys and funds described herein, the purchase, retention or disposition of the U.S. Obligations or the proceeds thereof, any payment, transfer or other application of funds or securities by the Escrow Agent in accordance with the provisions of this Agreement, or any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall, however, be liable to the County and to holders of the Refunded Bonds to the extent of their respective damages for negligent or willful acts, omissions or errors of the Escrow Agent which violate or fail to comply with the terms of this Agreement. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement.

SECTION 3.04. Permitted Acts. The Escrow Agent and its affiliates may become the owner of or may deal in the Refunded Bonds as fully and with the same rights as if it were not the Escrow Agent.

SECTION 3.05. Successor Escrow Agent. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the trusts hereby created by giving not less than sixty (60) days' written notice to the County, the Paying Agent for the Series 2017 Bonds and the Refunded Bonds and any rating agency which is then rating the Series 2017 Bonds and the Refunded Bonds, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of the Series 2017 Bonds or by the County as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent, and to the County, and signed by the holders of a majority in principal amount of the Series 2017 Bonds then outstanding.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in principal amount of the Series 2017 Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the County shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in principal amount of the Series 2017 Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the County shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders. The County shall promptly notify the Escrow Agent of any change in the identity of the Paying Agent for the Series 2017 Bonds and the Refunded Bonds.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the County pursuant to the foregoing provisions of this Section within sixty (60) days after written notice of resignation of the Escrow Agent has been given to the County, the holder of any of the Series 2017 Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent and such court may thereupon, after such notice, if any, as it shall deem proper, appoint such successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any state, and shall have at the time of appointment capital and surplus of not less than \$50,000,000 or is a member of a bank group or bank holding company with aggregate capital and surplus of not less than \$50,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor, and to the County, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the County, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the County be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the County.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted, or to which substantially all of its corporate assets have been sold or assigned, or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party, shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 3.06. Receipt of Proceedings. Receipt of true and correct copies of the proceedings authorizing the issuance of the Refunded Bonds and the Series 2017 Bonds, including the Original Resolution and the Supplemental Resolution, are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

SECTION 3.07. County Indemnity. To the extent provided by law and without waiving its sovereign immunity, the County agrees to indemnify and save the Escrow Agent, its agents and employees, harmless, to the extent allowed by law, against any liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements of whatsoever kind or nature which it may incur in the exercise and performance of its powers and duties hereunder, including legal expenses, and which are not due to its own negligence or willful misconduct. Indemnification provided under this section shall survive the termination of this Agreement.

SECTION 3.08. Payment to Escrow Agent and Paying Agent. The County hereby agrees to provide for the payment, from its own legally available funds, the costs, charges, services and expenses of the Escrow Agent incurred in connection with its duties under this Agreement. The Escrow Agent hereby acknowledges that it has agreed to accept, and the County agrees to pay, on the date of execution of this Agreement, the compensation under this Agreement, as shown on the attached Exhibit “C,” plus reasonable expenses. The County hereby agrees to pay the fees and expenses of the Paying Agent referred to below and any publication costs borne by such Paying Agent for the Refunded Bonds or by the Escrow Agent from the County’s own legally available moneys.

The current paying agent for the Series 2017 Bonds and the Refunded Bonds is U.S. Bank National Association, having a representative office in New York, New York.

SECTION 3.09. Notices of Redemption. The County hereby irrevocably instructs the Escrow Agent to file a copy of the notice of redemption with the Paying Agent for the Refunded Bonds not less than thirty-two (32) days prior to the applicable Cross-Over Date, with instructions to such Paying Agent to mail such notice of optional redemption to the registered owners of such Refunded Bonds not less than thirty (30) days prior to such Cross-Over Date or such earlier date on which the Refunded Bonds are to be refunded due to the occurrence of an Extraordinary Event, as applicable, all in accordance with the provisions of the 2010 Resolution. Such notice of redemption, with respect to the Refunded Bonds shall be in substantially the form attached hereto as Exhibit “A” if the Refunded Bonds are optionally redeemed on October 1, 2020. If the redemption of the Refunded Bonds is to occur on a date earlier than October 1, 2020, due to the

occurrence of an Extraordinary Event, the notice of redemption shall be in substantially the form attached hereto as Exhibit "B." The cost of mailing shall be borne by the County.

ARTICLE IV MISCELLANEOUS

SECTION 4.01. Amendments to this Agreement. This Agreement is made for the benefit of the County and the holders from time to time of the Series 2017 Bonds to and including the applicable Cross-Over Date and after payment of all accrued interest on the Series 2017 Bonds, the principal of the Refunded Bonds on the applicable Cross-Over Date and it shall not be repealed, revoked, altered or amended in whole or in part without the written consent of all affected holders, the Escrow Agent and the County if such amendment adversely affects its rights; provided, however, that the County and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent, for the benefit of the holders of the Series 2017 Bonds to and including the applicable Cross-Over Date and after all accrued interest on the Series 2017 Bonds has been paid to such Cross-Over Date, the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Series 2017 Bonds and the Refunded Bonds in the manner described herein or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement other than Sections 2.05 and 2.07 hereof at the written request of the County and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the U.S. Obligations held hereunder and to substitute therefor direct obligations of, or obligations fully guaranteed by the United States of America, subject to the conditions that such moneys or securities held by the Escrow Agent shall be verified to be sufficient, without reinvestment, to pay interest on the Series 2017 Bonds and the Refunded Bonds, as the same shall become due, until the Total Debt Service on the Series 2017 Bonds and the Refunded Bonds has been paid in accordance with Schedule C attached hereto. The County hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentence (i) in any manner which will cause the Series 2017 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the regulations thereunder in effect on the date of such request and applicable to

obligations issued on the issue date of the Series 2017 Bonds, and would not cause the Series 2010A Bonds to fail to qualify as Build America Bonds and the 2010B Bonds to qualify as Recovery Zone Economic Development Bonds; and (ii) without payment of reasonable expenses of the Escrow Agent in connection therewith. The Escrow Agent shall, as directed in writing by the County, purchase such substituted securities with the proceeds derived from the maturing, sale, transfer, disposition or redemption of the U.S. Obligations held hereunder or from other moneys available. The transactions may be effected only if there shall have been obtained: (1) an independent verification by a nationally recognized independent certified public accounting firm retained by the County concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other moneys or securities held for such purpose to pay Annual Debt Service until the Total Debt Service has been paid in accordance with Schedule C attached hereto; and (2) an opinion from Greenberg Traurig, P.A., or from any other nationally recognized attorneys on the subject of municipal bonds, to the County and the Escrow Agent to the effect that the disposition and substitution or purchase of such securities will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Series 2017 Bonds, cause the interest on such Series 2017 Bonds not to be excluded from gross income for federal income tax purposes and that such disposition and substitution or purchase is not inconsistent with the statutes and regulations applicable to the Series 2017 Bonds and will not cause the Series 2010A Bonds to fail to qualify as Build America Bonds and the 2010B Bonds to qualify as Recovery Zone Economic Development Bonds. Any surplus moneys, identified as such in the then applicable verification report, resulting from the sale, transfer, other disposition or redemption of the U.S. Obligations held hereunder and the substitutions therefor of direct obligations of, or obligations the principal of and interest on which is fully guaranteed by, the United States of America, shall be released from the Trust Estate and shall be transferred to the County. The County shall provide written notice of any such amendment to the rating agencies then rating the Series 2017 Bonds prior to the effective date thereof.

The County shall give prior written notice to Moody's Investors Service, Inc. (herein, "Moody's"), together with draft copies, of any proposed amendment, alteration, revocation, severance or repeal of this Agreement pursuant to this Section. Such notice shall be given in writing to: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attention: Public Finance Ratings Desk - Refunded Bonds.

SECTION 4.02. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the County or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. The Escrow Agent shall notify Moody's as soon as practicable if any portion of this Agreement becomes severable.

SECTION 4.03. Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the County or by or on behalf of the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 4.04. Termination. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 4.05. Governing Law. This Agreement shall be governed by the applicable laws of the State of Florida.

SECTION 4.06. Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 4.07. Notices. Until otherwise directed in writing by any person named below, all notices, reports, or other communications required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed as follows:

- (a) As to the County: Clerk of the Circuit Court
Manatee County, Florida
1115 Manatee Avenue West
Bradenton, Florida 34205
(941) 741-4001
(941) 741-4082 (FAX)
- (b) As to the Escrow Agent: U.S. Bank National Association
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Corporate Trust Services
(212) 361-6173
(212) 361-6153 (FAX)
- (c) As to the Paying Agent
for the Series 2017 Bonds
and Refunded Bonds : U.S. Bank National Association
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Corporate Trust Services
(212) 361-6173
(212) 361-6153 (FAX)

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officers and its corporate seal to be hereunto affixed and attested as of the date of execution set forth below.

(SEAL)

MANATEE COUNTY, FLORIDA

By: Board of County Commissioners

By: _____
Chair of the Board of County
Commissioners of Manatee County,
Florida

Angeline Colonnese, Clerk of the Circuit
Court and Comptroller

By: _____
Deputy Clerk

SCHEDULE A
SERIES 2017 BONDS

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
10/01/20		
10/01/21		
10/01/22		
10/01/23		
10/01/24		
10/01/25		
10/01/26		
10/01/27		
10/01/28		
10/01/29		
10/01/30		
10/01/31		
10/01/32		
10/01/33		
10/01/34		
10/01/35		

REFUNDED BONDS*

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
10/01/21	\$ 2,995,000	6.151%
10/01/22	3,115,000	6.351%
10/01/23	3,240,000	6.551%
10/01/24	3,380,000	6.701%
10/01/25	3,215,000	6.801%
10/01/30	21,105,000	7.178%
10/01/35	24,195,000	7.378%

* Assuming that the Refunded Bonds are redeemed on October 1, 2020. If the Refunded Bonds are redeemed prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the redemption price will consist of the principal amount of the Refunded Bonds plus a make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238.

SCHEDULE B

U.S. OBLIGATIONS

Purchased from Proceeds of the Series 2017 Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Type</u>	<u>Purchase Price</u>
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[SLGs¹]

¹ [U.S. Treasury Securities – State and Local Government Series]

SCHEDULE C

**Annual Debt Service and Total Debt Service for the Series 2017 Bonds and
the Refunded Bonds payable as indicated below***

<u>Year</u>	<u>Called Principal</u> (only Refunded Bonds)	<u>Interest</u> (only Series 2017 Bonds)	<u>Total</u>
04/01/18			
10/01/18			
04/01/19			
10/01/19			
04/01/20			
10/01/20	60,345,000		

*Assuming that the Refunded Bonds are redeemed on October 1, 2020. If the Refunded Bonds are redeemed prior to October 1, 2020 due to the occurrence of an Extraordinary Event, the redemption price will consist of the principal amount of the Refunded Bonds plus a make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238.

EXHIBIT “A”

NOTICE OF CALL FOR REDEMPTION

§ _____

MANATEE COUNTY, FLORIDA

Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B

NOTICE IS HEREBY GIVEN that, pursuant to Resolution No. 91-21, adopted by Manatee County, Florida (the “County”), on January 15, 1991, as amended and supplemented (collectively, the “Resolution”), the County has irrevocably deposited with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), in trust, and irrevocably set aside for such payment, cash and Defeasance Obligations (as such term is defined in the Resolution), maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to pay the principal of Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing after October 1, 2020 (the “Callable Series 2010A Bonds”) and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the “Series 2010B Bonds” and, together with the Callable Series 2010A Bonds, the “Called Bonds”) to the herein defined Redemption Date, that the Called Bonds are hereby called for optional redemption on October 1, 2020 (the “Redemption Date”), at a price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. Accrued Interest will not be paid by moneys deposited with the Escrow Agent but will rather be paid by the County.

The maturities and principal amounts per maturity and CUSIP numbers of the Called Bonds to be redeemed are as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>CUSIP No.</u>
10/01/21	\$2,995,000	561851 GE0
10/01/22	3,115,000	561851 GF7
10/10/23	3,240,000	561851 GG5
10/10/24	3,380,000	561851 GH3
10/10/25	2,315,000	561851 GC4
10/10/30	21,105,000	561851 GK6
10/10/35	24,195,000	561851 GJ9

The Called Bonds subject to optional redemption on the Redemption Date shall be presented for payment at the principal corporate trust office of U.S. Bank National Association, Attention: Corporate Trust Department (the “Paying Agent”), New York, New York. On or after the Redemption Date, no interest shall accrue on said Called Bonds.

This notice is given in conformity with the provisions of the Called Bonds and the Resolution providing for their issuance, and the owners of said Called Bonds are hereby notified and requested to present such Called Bonds for redemption and payment as provided above. The Called Bonds which have been called for redemption will be paid from funds irrevocably deposited for this purpose in an Escrow Deposit Trust Fund established with U.S. Bank National Association, as Escrow Agent for the Called Bonds.

MANATEE COUNTY, FLORIDA

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent and Bond Registrar for the
Called Bonds.

Dated _____, 2020

Withholding of 31% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983, as amended, unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your bonds for payment.

- * CUSIP numbers have been assigned by Standard & Poor's Corporation and are included solely for the convenience of the holders. Neither the County nor the Escrow Agent shall be responsible for the selection or use of the CUSIP numbers nor is any representation made as to their correctness on the Called Bonds or as indicated in any redemption notice.

Instructions to Escrow Agent:

This notice must be filed, by the Escrow Agent, with the Paying Agent, as provided in Section 3.09 of the Escrow Deposit Agreement.

EXHIBIT “B”

NOTICE OF EXTRAORDINARY OPTIONAL REDEMPTION

§ _____

MANATEE COUNTY, FLORIDA

Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B

NOTICE IS HEREBY GIVEN that, pursuant to Resolution No. 91-21, adopted by Manatee County, Florida (the “County”), on January 15, 1991, as amended and supplemented (collectively, the “Resolution”), the County has irrevocably deposited with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), in trust, and irrevocably set aside for such payment, cash and Defeasance Obligations (as such term is defined in the Resolution), maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient moneys to pay the principal of Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing after October 1, 2010 (the “Callable Series 2010A Bonds”) and the County’s Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the “Series 2010B Bonds” and, together with the Callable Series 2010A Bonds, the “Called Bonds”) to the herein defined Redemption Date, that the Called Bonds are hereby called for extraordinary optional redemption on _____ (the “Redemption Date”), at a price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. The County will pay from Net Revenues and other available money on deposit under the Resolution the principal amount of the Series 2010A Bonds maturing on October 1, 2020, plus any make-whole premium calculated in accordance with Section 3 of Resolution No. R-10-238, plus accrued interest to the Redemption Date.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
10/01/20	\$2,880,000	5.951%
10/01/21	2,995,000	6.151%
10/01/22	3,115,000	6.351%
10/01/23	3,240,000	6.551%
10/01/24	3,380,000	6.701%
10/01/25	3,215,000	6.801%
10/01/30	21,105,000	7.178%
10/01/35	24,195,000	7.378%

Payment of the redemption price (as described above) will be made on or after said redemption date of _____, 20__, upon the presentation of said Refunded Bonds at the offices of U.S. Bank National Association, as Paying Agent for the Refunded Bonds, by hand or by overnight delivery at **[insert U.S. Bank information]**. Interest on such Refunded Bonds will cease to accrue from and after _____, 20__.

MANATEE COUNTY, FLORIDA

By: U.S. Bank National Association, as
Paying Agent and Escrow Agent

Dated: _____, 20__

*No representation is made as to the correctness of the CUSIP numbers either as printed on the Refunded Bonds or contained in this Notice.

EXHIBIT “C”

Acceptance Fee -0-

Annual Escrow Agent Administration Fee
(payable in advance) \$500.00

Reimbursement of out-of-pocket costs including postage, publication and legal fees, if necessary,
at cost.

WPB/384115098v10/016705.014900

December 6, 2017

The Honorable Chair and
Board of County Commissioners
Manatee County, Florida
1112 Manatee Avenue
Bradenton, Florida 34205

Ladies and Gentlemen:

Public Resources Advisory Group ("PRAG") is serving as Financial Advisor in connection with the County's issuance of not to exceed \$75,000,000 Public Utilities Revenue Refunding Bonds, Series 2017 ("Series 2017 Bonds"). The Series 2017 Bonds are being issued for the purposes of (i) advance refunding, on a cross-over basis, the County's Federally Taxable - Public Utilities Revenue Improvement Build America Bonds, Series 2010A maturing on and after October 1, 2021 and all of the County's Federally Taxable - Public Utilities Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B, and (ii) paying costs of issuance.

As Financial Advisor, PRAG recommends that the Series 2017 Bonds be sold on a negotiated basis subject to the satisfaction of the parameters set for in Resolution No. 17-147. The parameters are as follows:

(i) the par amount of the Series 2017 Bonds is not in excess of \$75,000,000, (ii) the true interest cost rate of the Series 2017 Bonds is not more than 4.00%, (iii) no rates, fees, or charges will be increased as a result of issuing the Series 2017 Bonds, and (vi) the final maturity of the Series 2017 Bonds is not later than October 1, 2035, (v) the underwriting discount (exclusive of any original issue discount or original issue premium) is not greater than \$7.50 per thousand of the original principal amount of the Series 2017 Bonds, (vi) refunding the Refunded Bonds will produce a net present value savings of not less than 3.00%, and (vi) the completed disclosures required pursuant to Section 218.385, Florida Statutes have been delivered by the Underwriters.

We are recommending a negotiated sale based on the volume and volatility of the current municipal bond market. The tax bills currently under consideration by the House and Senate would eliminate advance refundings and certain other types of municipal bonds after December 31, 2017. As such, this transaction must close by year-end. In addition, the municipal market is experiencing extremely high levels of new issuance volume as issuers are bringing bonds to market in anticipation of future limitations on issuance. A negotiated sale will allow the County to better control timing, pre-marketing and pricing of the bonds.

We have requested ratings on the Series 2017 bonds from Moody's and Fitch and we expect ratings to be such that credit enhancement will not add value; therefore, we recommend that the Series 2017 Bonds be sold without credit enhancement.

Sincerely,

PUBLIC RESOURCES ADVISORY GROUP

A handwritten signature in blue ink that reads "Wendell G. Gaertner".

Wendell Gaertner
Senior Managing Director

RESOLUTION NO. 17-147

MANATEE COUNTY, FLORIDA

SUPPLEMENTAL PUBLIC UTILITIES SYSTEM CROSS-OVER
REVENUE REFUNDING BOND RESOLUTION

AUTHORIZING THE ISSUANCE OF

NOT TO EXCEED

\$75,000,000

MANATEE COUNTY, FLORIDA

PUBLIC UTILITIES REVENUE REFUNDING BONDS, SERIES 2017

Adopted December 12, 2017

RESOLUTION NO. R-17-147

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AMENDING AND SUPPLEMENTING RESOLUTION NO. R-91-21, AS AMENDED AND SUPPLEMENTED (THE “ORIGINAL RESOLUTION”), FOR THE PURPOSE OF AUTHORIZING A SERIES OF PUBLIC UTILITIES REVENUE BONDS DESIGNATED AS PUBLIC UTILITIES REVENUE REFUNDING BONDS, SERIES 2017 IN THE AGGREGATE INITIAL PRINCIPAL AMOUNT OF NOT EXCEEDING \$75,000,000 (THE “BONDS”), FOR THE PURPOSE OF ADVANCE REFUNDING, ON A CROSS-OVER BASIS, THE CALLABLE FEDERALLY TAXABLE – DIRECT PAYMENT – PUBLIC UTILITIES REVENUE IMPROVEMENT BUILD AMERICA BONDS, SERIES 2010A AND THE FEDERALLY TAXABLE – DIRECT PAYMENT – PUBLIC UTILITY REVENUE IMPROVEMENT RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS, SERIES 2010B (COLLECTIVELY, THE “REFUNDED BONDS”) OF MANATEE COUNTY, FLORIDA; PROVIDING THE PARAMETERS BY WHICH THE FINAL TERMS AND OTHER DETAILS OF SUCH BONDS WILL BE ESTABLISHED; APPOINTING THE UNDERWRITERS; APPROVING THE FORM OF AND DELEGATING TO THE CHAIR OR ANY VICE CHAIR THE AUTHORITY TO EXECUTE AND DELIVER A PURCHASE CONTRACT TO BE USED FOR THE NEGOTIATED SALE OF THE BONDS; APPOINTING A PAYING AGENT AND REGISTRAR; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT; APPOINTING AN ESCROW AGENT; AUTHORIZING THE REGISTRATION OF THE BONDS UNDER A BOOK-ENTRY SYSTEM; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE ELECTRONIC DISTRIBUTION THEREOF AND APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH; PROVIDING FOR THE TERMS AND PAYMENT FOR SAID BONDS; PROVIDING FOR THE RIGHTS, REMEDIES AND SECURITY OF THE HOLDERS OF SAID BONDS; PROVIDING FOR THE UNDERTAKING BY THE COUNTY REQUIRED BY RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners (the “Board”) of Manatee County, Florida (the “County”), did, on January 15, 1991, adopt Resolution No. R-91-21, as amended and supplemented (herein, collectively, the “Original Resolution”), for the purpose, among other things, of authorizing the creation of the Manatee County Public Utilities System (the “System”) consisting of the County’s existing Water and Sewer System, Stormwater Management System, and Solid Waste System (as such terms are defined in the Original Resolution); and

WHEREAS, any term not otherwise defined in this Resolution shall have the meaning ascribed to such term in the Original Resolution, except if such term is for application of Part I only of such Original Resolution; and

WHEREAS, on July 2, 1991, the System was created, and the 1991 Bonds, on and after such date, were secured solely from the Net Revenues of the System; and

WHEREAS, Part II, Section 4.H, of the Original Resolution provides that the County may issue pari passu additional Bonds if the conditions in such section are complied with; and

WHEREAS, the Board hereby finds that the conditions set forth in Part II, Section 4.H, of the Original Resolution, with respect to the issuance of pari passu additional Bonds, can be satisfied with respect to the issuance of the Series 2017 Bonds (herein defined); and

WHEREAS, on April 11, 1991, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Improvement Bonds, Series 1991 A, in the aggregate principal amount of \$44,685,000 (herein, the “Series 1991 A Bonds”); and

WHEREAS, on May 9, 1991, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 1991 B, in the aggregate principal amount of \$37,840,000 (herein, the “Series 1991 B Bonds”); and

WHEREAS, on July 2, 1991, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding and Improvement Bonds, Series 1991 C, in the initial aggregate principal amount of \$62,663,809.15 (herein, the “Series 1991 C Bonds”); and

WHEREAS, on July 9, 1992, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Bonds, Series 1992 A, in the aggregate principal amount of \$5,875,000 (herein, the “Series 1992 A Bonds”); and

WHEREAS, on October 13, 1993, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 1993 A, in the initial aggregate principal amount of \$51,152,343.50 (herein, the “Series 1993 A Bonds”); and

WHEREAS, on August 8, 2001, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 2001 A, in the aggregate principal amount of \$16,620,000 (herein, the “Series 2001 A Bonds”) to pay and defease all of the Outstanding Series 1991 B Bonds and a portion of the Series 1991 C Bonds; and

WHEREAS, on October 1, 2003, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding and Improvement Bonds, Series 2003, in the initial aggregate principal amount of \$74,545,000 (herein, the “Series 2003 Bonds”) to pay and defease a portion of the Series 1993 A Bonds;

WHEREAS, on April 22, 2015, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding and Improvement Bonds, Series 2015, in the aggregate principal amount of \$91,485,000 (the “Series 2015 Bonds”) to pay and defease a portion of the Series 2006 Bonds; and

WHEREAS, on December 29, 2010, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Federally Taxable – Direct Payment – Public Utilities Revenue Improvement Build America Bonds, Series 2010A (the “Series 2010A Bonds”) in the aggregate principal amount of \$17,925,000, and its Federally Taxable – Direct Payment – Public Utility Revenue Improvement Recovery Zone Economic Development Bonds, Series 2010B (the “Series 2010B Bonds”) in the aggregate principal amount of \$45,300,000, its Public Utilities Revenue Improvement Bonds, Series 2010C (the “Series 2010C Bonds”) in the aggregate principal amount of \$6,720,000 and its Taxable Public Utilities Revenue Improvement Bonds, Series 2010D (the “Series 2010D Bonds”) in the aggregate principal amount of \$8,190,000; and

WHEREAS, on September 13, 2006, the County did, pursuant to the terms and provisions of the Original Resolution, issue its Public Utilities Revenue Bonds, Series 2006, in the aggregate principal amount of \$44,895,000 (herein, the “Series 2006 Bonds”); and

WHEREAS, on December 14, 2011, the County did, pursuant to the terms and provisions of the Original Resolution, as supplemented, issue its Public Utilities Revenue Refunding Bonds, Series 2011 in the aggregate principal amount of \$22,600,000 (herein, the “Series 2011 Bonds”) to pay and defease a portion of the Series 2003 Bonds; and

WHEREAS, the Board hereby finds it to be in the best financial and economic interest of the County, and subject to achieving a net present value savings of not less than 3.00% (herein, the “Savings Threshold”), to advance refund, on a cross-over basis, the callable Series 2010A Bonds and all of the Series 2010B Bonds (collectively referred to as the “Refunded Bonds”) by issuing, pursuant to the terms and provisions of this Resolution and the Original Resolution, its Public Utilities Revenue Refunding Bonds, in one Series, in an initial aggregate principal amount of not exceeding \$75,000,000 (the “Series 2017 Bonds”); and

WHEREAS, Rule 15c2-12 of the Securities and Exchange Commission (herein, the “Rule”) provides that it is unlawful for a broker dealer or municipal securities dealer to purchase or sell municipal securities, which includes the Series 2017 Bonds, unless the issuer, which includes the County, has undertaken in a written agreement (herein, the “Undertaking”) to provide to specified information repositories annual financial information and operating data relevant to the municipal securities and notice of certain specified material events; and

WHEREAS, the Board hereby determines to provide its Undertaking with respect to the Series 2017 Bonds in this Resolution; and

WHEREAS, the Series 2017 Bonds will be on parity with the Prior Bonds (as such term is defined herein), except as provided herein and in the Original Resolution; and

WHEREAS, the Original Resolution provides that certain details of the Series 2017 Bonds and certain other provisions shall be determined by subsequent proceedings of the Board,

which shall be deemed supplemental to the Original Resolution and evidenced by this Resolution; and

WHEREAS, the Board hereby determines the parameters by which the final terms and other details of the Series 2017 Bonds are to be established; and

WHEREAS, pursuant to Section 218.385, Florida Statutes, as amended and supplemented, an authorized officer of Wells Fargo Bank, National Association, as representative on behalf of itself, Citigroup Global Markets Inc. and Raymond James and Associates, Inc. (collectively, the “Underwriters”), plan to submit to the County a proposal within the parameters hereby determined in the form of a Purchase Contract (the “Purchase Contract”), between the Underwriters and the County, attached hereto as Exhibit A, to purchase the Series 2017 Bonds, a copy of which is hereby furnished to each of the County Commissioners; and

WHEREAS, based on the advice of the County’s financial adviser as evidenced by its letter attached hereto as Exhibit D, the Board finds it in the best financial interest of the County to accept the Purchase Contract and to award the Bonds on a negotiated basis to the Underwriters if the terms thereof are within the parameters hereby established; and

WHEREAS, there have been prepared and submitted to the Board:

- (a) a Purchase Contract, attached hereto as Exhibit A (herein, the “Purchase Contract”), pursuant to which the County will sell the Series 2017 Bonds to the Underwriters;
- (b) a draft Preliminary Official Statement, attached hereto as Exhibit B;
- (c) a form of Escrow Deposit Agreement, attached hereto as Exhibit C, pursuant to which the County will make certain deposits to pay interest on the Series 2017 Bonds until the Cross-Over Date (as herein defined) and then on such date pay and redeem the Refunded Bonds; and
- (d) a letter from Public Resources Advisory Group, as the County’s financial advisor (the “Financial Advisor”) attached hereto as Exhibit D recommending the negotiated sale of the Series 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, AS FOLLOWS:

**ARTICLE I
STATUTORY AUTHORITY, DEFINITIONS, FINDINGS,
AND INCORPORATION BY REFERENCE.**

SECTION 1. AUTHORITY OF THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act and the terms and provisions of the Original Resolution.

SECTION 2. DEFINITIONS. In addition to certain terms heretofore defined in the recitals set forth above and terms not otherwise defined in Section 3 of the Introduction of the Original Resolution that have not been amended pursuant to this Section 2, except for such terms for application of Part I only of the Original Resolution, the following terms shall have the following meanings:

“BENEFICIAL OWNER” shall mean any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2017 Bonds (including persons holding Series 2017 Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Series 2017 Bonds for Federal income tax purposes.

“BOND COUNSEL” shall mean a firm or firms of nationally recognized attorneys-at-law selected by the County and experienced in the financing and refinancing of capital projects for governmental units through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103(a) of the Code.

“CROSS-OVER DATE” shall mean October 1, 2020, unless the Refunded Bonds are redeemed earlier because of an occurrence of an Extraordinary Event (as defined in Resolution No. R-10-238) and a determination by the County that the net present value savings as a result of such earlier redemption with respect to the Refunded Bonds is greater than the net present value savings with respect to the Refunded Bonds if the Refunded Bonds were redeemed on October 1, 2020 and therefore the Refunded Bonds should be subject to extraordinary optional redemption before October 1, 2020.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access System (<http://www.emma.msrb.org>).

“ESCROW AGENT” shall mean U.S. Bank National Association.

“ESCROW DEPOSIT AGREEMENT” shall mean that certain escrow deposit agreement expected to be dated as of December 1, 2017 by and between the County and the Escrow Agent, substantially in the form attached hereto as Exhibit “C.”

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“REFUNDED BONDS” shall mean the callable outstanding Series 2010A Bonds and all of the outstanding Series 2010B Bonds.

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

- A. That the County now owns, operates and maintains the System.
- B. That the Net Revenues of the System are not pledged or encumbered on a first lien basis in any manner, except for the County’s Outstanding Series 2010A Bonds, its Outstanding Series 2010B Bonds, its Outstanding Series 2010C Bonds, its outstanding Series 2011 Bonds and its Outstanding Series 2015 Bonds (collectively, the “Prior Bonds”).

C. That the Board deems it necessary, desirable and in the best financial and economic interest of the citizens and residents of the County, subject to achieving the Savings Threshold, advance refund, on a cross-over basis, of the Refunded Bonds (the “Refunding Program”).

D. That the Board hereby delegates to its financial advisor the authority to determine if the Savings Threshold has been achieved.

E. That the principal amount of the Series 2017 Bonds to be issued to finance the Refunding Program shall not exceed \$75,000,000 in initial aggregate principal amount.

F. That the principal of, and interest on the Series 2017 Bonds to be issued pursuant to this Resolution and the Original Resolution, and sinking fund payments provided for herein and in the Original Resolution will be paid from the Net Revenues, all as provided herein and in the Original Resolution and, prior to and including the Cross-Over Date, the interest on the Series 2017 Bonds will be secured by the moneys and securities on deposit under the Escrow Deposit Agreement; and the ad valorem taxing power of the County will never be necessary or authorized to pay the principal of, redemption premium, if any, and interest on the Series 2017 Bonds to be issued pursuant to this Resolution and the Original Resolution, or sinking fund payments provided for in this Resolution and the Original Resolution, and the Series 2017 Bonds issued pursuant to this Resolution shall not constitute a lien upon the System or upon any other property whatsoever of or in the County and shall not be an indebtedness of the County within the meaning of any Constitutional, statutory or other limitation of indebtedness, but shall be payable solely from the Net Revenues of the System and prior to the applicable Cross-Over Date, the Series 2017 Bonds will also be secured by the moneys and securities on deposit under the Escrow Deposit Agreement.

G. That the Net Revenues will be sufficient to pay the principal of, redemption premium, if any, and interest on the Prior Bonds and the Series 2017 Bonds to be issued pursuant to this Resolution and the Original Resolution, as the same become due and payable, and all sinking fund, and other payments and prior to the applicable Cross-Over Date, interest on the Series 2017 Bonds will also be secured by the moneys and securities on deposit under the Escrow Deposit Agreement.

H. That no Series 2017 Bonds authorized under this Resolution shall be issued unless and until the requirements set forth in Part II, Section 4.H, of the Original Resolution have been satisfied.

I. That the Series 2017 Bonds shall be issued in one Series.

SECTION 4. INCORPORATION BY REFERENCE. Unless otherwise provided herein, all the terms and provisions of the Original Resolution, other than the terms and provisions of the Original Resolution relating to Part I only, shall, by this reference, be incorporated herein as though fully set forth in this Resolution.

SECTION 5. RESOLUTION CONSTITUTES CONTRACT. In consideration of the acceptance of the Series 2017 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution and the Original Resolution shall be deemed to

be and shall constitute a contract between the County and such Owners and the covenants and agreements herein set forth to be performed by said County shall be for the equal benefit, protection and security of the Owners of any and all of such Series 2017 Bonds all of which shall be of equal rank and without preference, priority, or distinction of any of the Series 2017 Bonds over any other thereof except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATION OF BONDS AND BOND FORMS

SECTION 1. AUTHORIZATION OF BONDS AND PURPOSE. Subject and pursuant to the provisions of the Act, this Resolution and the Original Resolution, the County hereby authorizes a Series of Bonds to be issued pursuant to the terms and provisions of the Original Resolution and this Resolution to be known as “Public Utilities Revenue Refunding Bonds,” in the initial aggregate principal amount of not exceeding Seventy Five Million Dollars (\$75,000,000) (herein referred to as the “Series 2017 Bonds”), for the purpose of (i) financing the Refunding Program, but only if the Savings Threshold is achieved and (ii) paying the costs of issuing the Series 2017 Bonds.

SECTION 2. DESCRIPTION OF THE SERIES 2017 BONDS. The Series 2017 Bonds shall be dated the date of issuance, shall bear interest, payable on April 1, 2018 and semiannually thereafter on each October 1 and April 1 of each year, and shall mature on October 1 of each of the years as set forth in the Purchase Contract within the parameters set forth in this Resolution and in the amounts and at the rates so determined by the Underwriters; provided that the initial aggregate principal amount of the Series 2017 Bonds does not exceed \$75,000,000. The Series 2017 Bonds may be either Serial Bonds or Term Bonds or a combination thereof, provided that the last maturity of the Series 2017 Bonds is not later than October 1, 2035.

Unless determined otherwise at the time of pricing of the Series 2017 Bonds, the no-call period for any Bonds that are subject to optional redemption, shall not be later than October 1, 2030. If the Series 2017 Bonds are subject to optional redemption, the Series 2017 Bonds maturing on and after the determined no-call period, shall be redeemable at the option of the County from any legally available source, in whole at any time or in part, in any order of maturity selected by the County, and by lot within a maturity if less than an entire maturity is to be redeemed, on the first October 1 occurring after the expiration of the no-call period or at any time thereafter, without a redemption premium, together with accrued interest to the date fixed for redemption.

Notwithstanding the foregoing, if the County’s Underwriters and financial advisor, upon consultation with the Clerk, determine that market conditions require different or no optional redemption provisions for the Series 2017 Bonds or for certain maturities of the Series 2017 Bonds, such different optional redemption provisions or the exclusion of certain or all maturities of the Series 2017 Bonds from such optional redemption provisions will be deemed approved by the County upon the execution of the Purchase Contract so long as the maximum redemption premium does not exceed 2% and the first optional redemption period is not more than thirteen (13) years from the date of issuance of the Series 2017 Bonds if the Series 2017 Bonds are to be subject to optional redemption.

In the event that any of the Series 2017 Bonds are issued as Term Bonds, the County is hereby authorized to create and establish one or more special subaccounts in the Bond Redemption Account created and established under the Original Resolution for the purpose of providing for the mandatory sinking fund redemption of any Term Bonds in the amounts and at the times determined by the Underwriters within the parameters set forth in Section 6 below. A subaccount shall be created for each Term Bond and shall be distinguished from any other subaccount by designating the subaccount by the year of maturity of such Term Bond.

Notice of redemption of the Series 2017 Bonds shall be mailed, postage prepaid, by the Registrar (as herein defined) not less than thirty (30) days before the date fixed for redemption to the registered owners of the Series 2017 Bonds or portions of Series 2017 Bonds which are to be redeemed, at their addresses as they appear on the registration books kept by the Registrar fifteen (15) days prior to the date such notice is mailed.

Such notice of redemption shall set forth (i) the identification of the Series 2017 Bonds subject to redemption, (ii) the date fixed for redemption, (iii) the redemption price to be paid, (iv) that such Series 2017 Bonds will be redeemed at the designated corporate trust office of the Paying Agent (as herein defined), and the name, address and telephone number of a contact person, (v) if less than all of the Series 2017 Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2017 Bonds to be redeemed, and (vi) in the case of the Series 2017 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Series 2017 Bond is to be redeemed in part only, the notice of redemption that relates to such Series 2017 Bond shall state also that on or after the redemption date, upon surrender of such Series 2017 Bond, a new Series 2017 Bond or Series 2017 Bonds and maturity, bearing interest at the same rate and in aggregate principal amount, equal to the unredeemed portion of such Series 2017 Bond, will be issued. Failure of the registered owner of any Series 2017 Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2017 Bonds for which proper notice has been given. Interest shall cease to accrue on any of the Series 2017 Bonds duly called for prior redemption if payment of the redemption price has been duly made or provided for.

The Registrar also shall mail (by certified mail, return receipt requested) a copy of such notice for receipt not less than the second Business Day prior to the date the notice of redemption is mailed to the registered Holders of the Series 2017 Bonds to the following: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 (or the most current address) or such other securities depository designated by the County; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2017 Bonds. The Registrar shall also provide notice, at the same time notice of redemption is given to the Bondholders, to any two (2) informational services; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2017 Bonds. The County, in its discretion, may direct the Registrar to provide a conditional notice of redemption.

A second notice of redemption shall be given sixty (60) days after the redemption date in the manner required above to the registered owners of redeemed Series 2017 Bonds which have not been presented for payment within thirty (30) days after the redemption date.

SECTION 3. APPOINTMENT OF PAYING AGENT, REGISTRAR AND ESCROW AGENT. That U.S. Bank National Association, having a designated corporate trust office in New York, New York is hereby appointed Paying Agent and Registrar for the Series 2017 Bonds. In addition, U.S. Bank National Association is hereby appointed Escrow Agent in connection with the advance refunding of the Refunded Bonds.

SECTION 4. DISCLOSURE STATEMENTS. That delivery of the completed required disclosures and truth in bonding statements in substantially the form attached to the Purchase Contract, by the Underwriters pursuant to Section 218.385, Florida Statutes, as amended and supplemented, shall be a condition precedent to the execution of the Purchase Contract by the County.

SECTION 5. APPOINTMENT OF UNDERWRITERS; NEGOTIATED SALE. That the County hereby appoints Wells Fargo Bank, National Association (“Wells”), Citigroup Global Markets Inc. and Raymond James and Associates, Inc., as the underwriters (the “Underwriters”). Wells is hereby appointed senior manager of the Underwriters. The County hereby adopts the recommendations of the County's financial advisor, as described in a letter from the County's financial advisor, dated on or before the sale of the Series 2017 Bonds and attached hereto as Exhibit D. The County hereby finds that, due to proposed changes in the tax law that once effective would prevent the County from implementing its Refunding Program, that it would be in the best interest of the County that the Series 2017 Bonds be sold on a negotiated basis in calendar year 2017.

SECTION 6. PURCHASE CONTRACT; AND PARAMETERS. That the form of Purchase Contract for the Series 2017 Bonds, between the County and the Underwriters, as submitted to this meeting by the Underwriters and attached hereto as Exhibit A, be and the same hereby is approved. Subject to the parameters set forth below, the Board hereby delegates to the Chair or any Vice Chair, in the absence of the Chair, the authority to approve the final terms and details of the Series 2017 Bonds and to execute the Purchase Contract on behalf of the County if such Purchase Contract accurately reflects such terms and details. Provided, however, that neither the Chair nor any Vice Chair shall take any action pursuant to this Section 6 unless the Chair or any Vice Chair and the County's financial advisor shall have received from the Underwriters such information as the Chair or any Vice Chair and the County's financial advisor shall deem necessary in order to demonstrate that (i) the par amount of the Series 2017 Bonds is not in excess of \$75,000,000, (ii) the true interest cost rate of the Series 2017 Bonds is not more than 4.00%, (iii) no rates, fees, or charges will be increased as a result of issuing the Series 2017 Bonds, (iv) the final maturity of the Series 2017 Bonds is not later than October 1, 2035, (v) the underwriting discount (exclusive of any original issue discount or original issue premium) is not greater than \$7.50 per thousand of the original principal amount of the Series 2017 Bonds, (vi) refunding the Refunded Bonds will produce a net present value savings of not less than 3.00%, and (vi) the completed disclosures required pursuant to Section 218.385, Florida Statutes have been delivered by the Underwriters. The final terms of the Series 2017 Bonds shall be reflected

in the final Official Statement, a copy of which shall be attached to this Resolution and entered into Board records.

SECTION 7. PRELIMINARY AND OFFICIAL STATEMENT. That the draft Preliminary Official Statement in substantially the form attached hereto as Exhibit B with such changes as shall be approved by the Chair of the Board or any Vice Chair of the Board and the County's Bond Counsel, be and the same is hereby approved, and the County hereby approves the use by the Underwriters of the Preliminary Official Statement in connection with the marketing of the Series 2017 Bonds, exclusively by means of electronic distribution. The County hereby approves the form of an Official Statement which shall be in substantially the same form as the Preliminary Official Statement but shall contain no permitted omissions. The County hereby approves the use by the Underwriters of the final Official Statement exclusively by means of electronic distribution in connection with the offering and sale of the Series 2017 Bonds, and the County hereby further approves the use by the Underwriters of any supplement or amendment to the Official Statement which is necessary so that the Official Statement does not include any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein not misleading. The Chair of the Board (or, in the absence of the Chair, any Vice Chair) is hereby authorized and directed to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of the County, and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters with such approval to be conclusively evidenced by the execution and delivery thereof by the County.

SECTION 8. BOOK-ENTRY SYSTEM. That the Board hereby determines that the registration of the Series 2017 Bonds be by the Book Entry System of registration. The Blanket Issuer Letter of Representations dated July 22, 1996, to evidence a Book Entry system of registration with respect to certain of the County's bonds and previously filed with The Depository Trust Company shall be applicable to the Series 2017 Bonds. The Chair of the Board, the Clerk of the Board or the Chief Financial Officer are each hereby authorized and directed to execute and deliver such other documents and certificates to evidence the Book-Entry system of registration for the Series 2017 Bonds.

SECTION 9. ESCROW DEPOSIT AGREEMENT. The form, terms and provisions of the Escrow Deposit Agreement between the County and the Escrow Agent, substantially in the form attached hereto as Exhibit C, as submitted to this meeting, be and the same are hereby approved and accepted. The Chair (or in the absence of the Chair, any Vice Chair) and the Clerk of the Board are hereby authorized and directed to execute and deliver the Escrow Deposit Agreement on behalf of the County in substantially the form submitted to this meeting, with such changes, insertions and deletions thereto as are necessary or desirable for carrying out the purposes thereof as may be approved by the Clerk and Bond Counsel to the County, the execution of said Escrow Deposit Agreement being conclusive evidence of such approval.

SECTION 10. FURTHER AUTHORIZATIONS; RATIFICATION OF PRIOR ACTS. That the Chair, any Vice Chair, the Clerk, the Director of Financial Management, the Chief Financial Officer, the County Attorney, and any other proper official of the County, be and each of them is hereby authorized and directed to execute and deliver any and all documents and

instruments, including, but not limited to, any paying agent and registrar agreement and the subscription for the purchase of United States Treasury Obligations – State and Local Government Series (“SLGs”) for deposit and application to effect the Refunding Program, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution. If the use of SGLs is not practical or available, the County intends to cause the Escrow Agent to purchase, on behalf of and for the benefit of the County, certain direct and general obligations of the United States of America, or those obligations which are unconditionally guaranteed as to the timely payment of principal and interest by the same, constituting Defeasance Obligations as defined in the Original Resolution, in a manner which Bond Counsel determines is required by applicable federal tax law, which shall include the necessity that a competitive bidding process be utilized. The Financial Advisor is hereby authorized to conduct such process for a bidding fee of not to exceed \$15,000. Such fee is separate and apart from the fees and expenses charged by the Financial Advisor under its existing services contract with the County. All actions heretofore taken and documents prepared or executed by or on behalf of the County by any of its authorized officers in connection with the transactions contemplated hereby are hereby ratified, confirmed, approved and adopted.

SECTION 11. REPEALER. That all resolutions or proceedings, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.

SECTION 12. FORM OF SERIES 2017 BONDS. The text of the Series 2017 Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable:

[Remainder of page intentionally left blank.]

FORM OF SERIES 2017 BONDS*

* The text of the Series 2017 Bonds shall be of substantially the tenor set forth below.

No. \$

UNITED STATES OF AMERICA
STATE OF FLORIDA
MANATEE COUNTY

PUBLIC UTILITIES REVENUE REFUNDING BOND,
SERIES 2017

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>DATED</u> <u>DATE</u>	<u>CUSIP</u>
--------------------------------	--------------------------------	-----------------------------	--------------

Registered Owner:-----CEDE & CO.-----

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that Manatee County, Florida (the "County"), for value received, hereby promises to pay, from the Net Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, as paying agent (said national banking association and any other bank or trust company becoming successor paying agent being herein called the "Paying Agent"), the Principal Amount stated hereon with interest thereon at the Interest Rate stated above, payable on the first day of October of each year commencing October 1, _____ until the County's obligation with respect to the payment of such Principal Amount shall be discharged. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registration books of the County maintained by U.S. Bank National Association, as registrar (said national banking association, and any other bank or trust company becoming successor registrar being herein called the "Registrar") on the fifteenth day of the calendar month preceding each interest payment date or the fifteenth day prior to the date notice of redemption is given, whether or not such fifteenth day is a Saturday, Sunday or holiday (the "Record Date"); provided further, however, that payment of interest on the Series 2017 Bonds may, at the option of any Holder of Bonds in an aggregate principal amount of at least \$1,000,000, be transmitted by wire transfer to the Holder to the bank account number on file with the Paying Agent as of the Record Date. Such interest shall be payable from the most recent interest payment date next preceding the date hereof to which interest has been paid, unless the date hereof is an April 1 or October 1 to which interest has been paid, in which case from such April 1 or October 1, or unless the date hereof is prior to April 1, 2018, in which case from _____, 20__, or unless the date hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date; provided, however, that if and to the extent there is

a default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the persons in whose name Bonds are registered on the registration books of the County maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent interest payment date established by notice mailed by the Registrar to the registered owner not less than the tenth day preceding such subsequent interest payment date. The Principal Amount and accrued interest thereon is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of Bonds of the County designated as its Manatee County Public Utilities Revenue Refunding Bonds, Series 2017 (herein called the “Bonds”), in the initial aggregate principal amount of \$_____ of like date, tenor, and effect, except as to number, date of maturity and interest rate, issued for the purpose of financing certain additions, extensions and improvements to the System (as such term is defined in the herein referred to Resolution) and to advance refund, on a cross-over basis, certain outstanding Public Utilities Revenue Bonds of the County under the authority of and in full compliance with the Act, and resolutions duly adopted by the Board of County Commissioners of Manatee County, Florida, on January 15, 1991, as amended and supplemented, and on December 12, 2017, as amended and supplemented (herein referred to as the “Resolution”), and is subject to all the terms and conditions of the Resolution. Terms and provisions of the Resolution relating to Part I only shall not be applicable to the Series 2017 Bonds. Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Resolution.

It is agreed between the County and the Holder of this Bond that this Bond and the obligation evidenced thereby shall not constitute a lien upon the County’s System, or any part thereof, or on any other property of or in the County, but shall constitute a lien only on the Net Revenues derived from the operation of the County’s System in the manner provided in the Resolution provided that the earnings on deposit under the Escrow Deposit Agreement will pay interest on the Series 2017 Bonds to and including the applicable Cross-Over Date (the “Additional Escrow Money.”

The lien of the Holders of the Series 2017 Bonds of the issue of which this Bond is one on the Net Revenues derived from the operation of the County’s System shall rank equally with the lien on such Net Revenues of the County’s Outstanding Prior Bonds and any pari passu additional obligations hereinafter issued by the County within the terms, restrictions and limitations contained in the Resolution. The Holders of the Series 2017 Bonds of the issue of which this Bond is one and of the Holders of the Prior Bonds and any pari passu additional obligations hereinafter issued by the County within the terms, restrictions, and limitations contained in the Resolution, shall jointly have a lien on the Net Revenues derived from the operation of the System, which lien shall be prior and superior to all other liens or encumbrances on such Net Revenues.

The County has covenanted in the Resolution that in each Fiscal Year it will fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and facilities of its System and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year, Net Revenues which shall be adequate to pay at least one hundred fifteen percent (115%) of the Annual Debt Service Requirement (as defined in the Resolution)

for the Series 2017 Bonds, the Prior Bonds and any pari passu additional Bonds hereafter issued; and that such Net Revenues shall be sufficient to make all of the payments required by the terms of the Resolution, and that such rates, fees, rentals or other charges shall not be so reduced so as to be insufficient for such purposes. For purposes of the foregoing, Net Revenues shall include the Additional Escrow Money.

[INSERT REDEMPTION PROVISIONS]

Pari Passu Additional Bonds may be issued by the County from time to time upon the conditions and within the limitations and in the manner provided in the Resolution.

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

(1) The Registrar shall maintain the books of the County for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. The Series 2017 Bonds shall be transferable by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the County maintained by the Registrar and only upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name of the transferee a new Bond or Bonds.

(2) The County, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

(3) At the option of the registered owner thereof and upon surrender hereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney' and upon payment by such registered owner of any charges which the Registrar or the County may make as provided in the Resolution, the Series 2017 Bonds may be exchanged for Bonds of the same interest rate and maturity of any other authorized denominations.

(4) In all cases in which the privilege of exchanging Series 2017 Bonds or transferring Series 2017 Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to transfer or exchange Bonds during the period from and including the Record Date for an interest payment date to and including such interest payment

date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Bond so surrendered, a registered Bond in the appropriate denomination and interest rate.

This Bond shall not be valid or obligatory for any purpose until the certificate of authentication set forth hereon shall have been duly executed by the Registrar.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Bonds of which this Bond is one, is in full compliance with all constitutional or statutory limitations or provisions.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Manatee County, Florida, has issued this Bond and has caused the same to be executed by the manual or facsimile signature of the Chair of the Board of County Commissioners of Manatee County, Florida, and the seal of the County to be affixed hereto or lithographed or imprinted or reproduced hereon, and attested by the manual or facsimile signature of the Clerk of Circuit Court of Manatee County, Florida, all as of the Dated Date.

MANATEE COUNTY, FLORIDA

(SEAL)

By: _____

Chair of the Board of County
Commissioners of Manatee County,
Florida

Angeline Colonnese, Clerk of the Circuit Court
and Comptroller

By: _____
Deputy Clerk

(FORM OF CERTIFICATE OF AUTHENTICATION)

Date of Authentication:

This Bond is one of the Series 2017 Bonds delivered pursuant to the within mentioned Resolution.

U.S. Bank National Association _____
as Registrar

By _____
Authorized Officer

ARTICLE III
APPLICATION OF 2017 BOND PROCEEDS AND ADDITIONAL COVENANTS.

SECTION 1. APPLICATION OF SERIES 2017 BOND PROCEEDS. All moneys received by the County from the sale of the Series 2017 Bonds authorized and issued pursuant to this Resolution, shall be disbursed as follows:

A. From the proceeds of the Series 2017 Bonds, an amount which shall be deposited pursuant to the terms of the Escrow Deposit Agreement, and such proceeds shall be held irrevocably in trust in the escrow deposit trust fund under the terms and provisions of such Escrow Deposit Agreement; such moneys shall be invested at the time of deposit in Defeasance Obligations, which are not callable prior to maturity except by the holder thereof, the principal and interest of which shall be sufficient to pay interest on the Series 2017 Bonds until the applicable Cross-Over Date and on such Cross-Over Date, sufficient to pay the principal on the Refunded Bonds as the same are redeemed on such date, as provided in the Escrow Deposit Agreement.

B. The balance of the net proceeds derived from the sale of the Series 2017 Bonds shall be deposited in a 2017 Cost of Issuance Cost Center hereby created within the Acquisition/Construction Fund which was created and established pursuant to the terms and provisions of the Original Resolution and continued hereunder, into which an amount shall be designated for the 2017 Cost of Issuance Cost Center sufficient to pay the costs of issuance of the Series 2017 Bonds. If, for any reason, the moneys allocated to the 2017 Cost of Issuance Cost Center is in excess of what is needed to pay the costs of issuance of the Series 2017 Bonds or upon certification of the Clerk that such surplus proceeds are not needed for the purposes of the 2017 Cost of Issuance Cost Center, then such surplus proceeds shall be applied in the following order:

First, to the Interest Account, Principal Account or Bond Redemption Account of the Sinking Fund, created and established pursuant to the terms and provisions of the Original Resolution, in the amounts determined by subsequent proceedings of the Board; and

Second, the balance, if any, to a special account created in Capital Improvement Fund, created and established pursuant to the terms and provisions of the Original Resolution, and used for any of the purposes enumerated in clauses (1) through (4) of Section 4.D.7 of Part II of the Original Resolution.

The proceeds of the sale of the Series 2017 Bonds shall be and constitute trust funds for the purposes hereinabove provided, and there is hereby created a lien upon such moneys, until so applied, in favor of the Holders of said 2017 Bonds, with respect to interest thereon to and including the applicable Cross-Over Date and on such Cross-Over Date in favor of the holders of the Refunded Bonds.

SECTION 2. COVENANTS OF THE COUNTY. The County hereby covenants as follows:

A. To comply with the terms and provisions of Part II, Section 4.H, of the Original Resolution, as evidenced by a certificate of the Clerk delivered to the Registrar prior to

the issuance of the Series 2017 Bonds. In addition, the County reaffirms and acknowledges that the covenants set forth in Part II, Section 4.A and 4.B, together with all other covenants applicable thereto, apply to the Series 2017 Bonds authorized to be issued pursuant to this Resolution.

The Revenue Fund, the Sinking Fund, the Rate Stabilization Fund and the Capital Improvement Fund, created and established under Part II of the Original Resolution, and the separate accounts therein shall be continued and maintained as provided in the Original Resolution as long as any of the Series 2017 Bonds, issued pursuant to the terms and provisions of the Original Resolution and this Resolution, are Outstanding; and the payments required to be made from the Revenue Fund into the Interest Account, Principal Account, Bond Redemption Account, and, to the extent not funded from the Series 2017 Bond proceeds shall be adjusted so as to provide the amounts necessary to pay the principal of and interest on each Series 2017 Bond issued pursuant to this Resolution, in the amounts, at the times and in the manner provided in the Original Resolution and this Resolution.

The County will continue to pay into the Capital Improvement Fund and Rate Stabilization Fund, if applicable, from the Revenue Fund as long as any of the Series 2017 Bonds issued pursuant to the terms and provisions of this Resolution and the Original Resolution, or interest thereon, are Outstanding and unpaid, the amounts required to be deposited therein pursuant to, and in the manner provided in, the Original Resolution and the moneys in the Rate Stabilization Fund, if any, and the Capital Improvement Fund shall be used only for the purposes provided for in the Original Resolution for such funds.

B. That in order to assist the initial purchasers of the Series 2017 Bonds with respect to compliance with the Rule, the County undertakes and agrees to provide the information described below to the persons so indicated. The County's Undertaking and agreement set forth in this Paragraph B shall be for the benefit of the registered owners and Beneficial Owners of the Series 2017 Bonds.

(1) The County undertakes and agrees to provide to the MSRB, through EMMA and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (i) the County's Public Utilities System's financial statements generally consistent with the financial statements presented in the official statement relating to the Series 2017 Bonds (herein the "Official Statement"), and (ii) update the information in the Official Statement concerning the County's Public Utilities System set forth in the tables entitled "Historic Growth of Water and Wastewater Divisions Services – Number of Meters" and "Single Family Residential Water and Wastewater Bills in County and Surrounding Areas" under the heading "THE WATER AND WASTEWATER DIVISION," the table entitled "Manatee County Solid Waste Tipping Fee Comparison" under the heading "THE SOLID WASTE DIVISION" and the table under the heading "HISTORIC OPERATING RESULTS OF SYSTEM" to the extent such information is not included in the County's Public Utilities System's purpose financial statements referred to in clause (i) above. The information referred to in clauses (i) and (ii) is herein collectively referred to as the "Annual Information."

(2) The Annual Information described in clause (i) of subparagraph 1 above in audited form (for as long as the County provides such financial information in audited

form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2018 for the fiscal year ending on the preceding September 30, 2017. The Annual Information referred to in clause (i) of subparagraph 1 above in unaudited form (if the audited financial statements are not available or if the County no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. The County also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Series 2017 Bonds who request such information and pays to the County its costs and reproduction and transmission of such Annual Information. The County agrees to provide to the MSRB, through EMMA and the SID, if any, timely notice of its failure to provide the Annual Information. Such notice shall also indicate the reason for such failure and when the County reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure.

(3) The Annual Information referred to in clause (i) of subparagraph 1 above and presented in the Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

(4) If, as authorized by subparagraph 6 below, the County's Undertaking with respect to subparagraph 1 above requires amending, the County undertakes and agrees that the Annual Information described in clause (i) of subparagraph 1 above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described in subparagraph 3 above. The County agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

(5) The County undertakes and agrees to provide to the MSRB, through EMMA, and to the SID, if any, within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)) notice of the occurrence of any of the following events with respect to the Series 2017 Bonds, if material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on any Debt Service Reserve Account reflecting financial difficulties;*

* Not applicable to the Bonds.

- (d) unscheduled draws on credit enhancements reflecting financial difficulties;*
- (e) substitution of credit or liquidity providers, or their failure to perform;*
- (f) adverse tax opinions or events affecting the tax-exempt status of the Series 2017 Bonds;
- (g) modifications to rights of Bondholders;
- (h) Series 2017 Bond calls (other than scheduled mandatory sinking fund redemptions);
- (i) defeasances of the Series 2017 Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2017 Bonds;
- (k) rating changes;
- (l) any failure on the part of the County to comply with its Undertaking;
- (m) tender offers;
- (n) the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2017 Bonds, or other material events affecting the tax status of the Series 2017 Bonds;
- (o) bankruptcy, insolvency, receivership or similar event of the County or obligated person;
- (p) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (q) appointment of a successor or additional trustee or the change of name of a trustee, if material.

* Not applicable to the Bonds.

Events described in clauses (a), (f), (i), (j), (k), (l), (m), (n) and (o) shall always be deemed material.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Series 2017 Bonds.

(6) Notwithstanding any other provision of this Resolution to the contrary regarding amendments or supplements, the County undertakes and agrees to amend and/or supplement this Section 3.B. (including the amendments referred to in subparagraph 4 above) only if:

- (a) The amendment or supplement is made only in connection with a change in circumstances existing at the time the Series 2017 Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule or (iv) a change in the nature of the County's operations or the activities that generate the Net Revenues.
- (b) The County's Undertaking, as amended, would have complied with the requirements of the Rule at the time the Series 2017 Bonds were originally issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Series 2017 Bonds as determined by Bond Counsel or by a majority of the registered owners of the Series 2017 Bonds.

In the event of an amendment or supplement under this Paragraph B, the County shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

(7) The County's Undertaking as set forth in this Paragraph B shall terminate if and when the Series 2017 Bonds are paid or deemed paid.

(8) The County acknowledges that its Undertaking pursuant to the Rule set forth in this Paragraph B is intended to be for the benefit of the registered holders and Beneficial Owners of the Series 2017 Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the County's obligations hereunder, and any failure by the County to comply with the provisions of this Undertaking shall not be or constitute a covenant or monetary default with respect to the Series 2017 Bonds under this Resolution.

(9) The County reserves the right to satisfy its obligations under this Paragraph B through agents; and the County may appoint such agents without the necessity of amending this Resolution. The County may also appoint one or more employees of the County to monitor and be responsible for the County's Undertaking hereunder.

ARTICLE IV MISCELLANEOUS

SECTION 1. PRELIMINARY OFFICIAL STATEMENT. The County is hereby authorized to distribute a preliminary official statement (including by electronic means) in connection with the Series 2017 Bonds. Prior to such distribution, the Chair, or in the absence of the Chair, any other member of the Board or the Clerk, is hereby authorized to deem such preliminary official statement relating to the Series 2017 Bonds "final" within the meaning of the Rule as of its date, except for certain "permitted omissions" as defined therein.

SECTION 2. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions of this Resolution or of the Series 2017 Bonds.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect upon adoption.

ADOPTED this 12th day of December, 2017.

MANATEE COUNTY, FLORIDA

By: _____
Chair of the Board of County
Commissioners of Manatee County,
Florida

Angeline Colonnese, Clerk of the Circuit Court
and Comptroller

By: _____
Deputy Clerk

EXHIBIT A

FORM OF PURCHASE CONTRACT

EXHIBIT B

DRAFT OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

EXHIBIT D

LETTER FROM COUNTY'S FINANCIAL ADVISOR

WPB/384115137v10/016705.014900