

**Lee County Board of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20020850

1. REQUESTED MOTION:

ACTION REQUESTED: Approve resolution reaffirming Resolution No. 01-02-40 which established certain parameters which when met allow the Transportation Facilities Revenue Bonds, Series 1995 (Mid-Point Bridge) to be refunded with the newer issue at a savings. Approve the February 20, 2001 Minutes of the Lee County Board of County Commissioners.

WHY ACTION IS NECESSARY: To inform the Board that since the February 20, 2001 meeting all of the parameters of Resolution No. 01-02-40 have not been met, most importantly, a minimum 3% present value return on the refunded bonds. This reaffirming resolution allows County Management to continue to take advantage of the bond market if the criteria are met. It also allows the Minutes Office to finalize the minutes for the meeting of February 20, 2001 that included Resolution No. 01-02-40. Any further documentation will be filed with the new resolution.

WHAT ACTION ACCOMPLISHES: Informs the Board of the status of Resolution No. 01-02-40, extends same, and approves the Minutes.

2. DEPARTMENTAL CATEGORY:
COMMISSION DISTRICT #

C12A

3. MEETING DATE:

08-13-2002

4. AGENDA:

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

5. REQUIREMENT/PURPOSE:
(Specify)

- STATUTE
- ORDINANCE
- ADMIN. CODE
- OTHER

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER
- B. DEPARTMENT County Attorney
- C. DIVISION
- BY: James G. Yaeger
County Attorney

7. BACKGROUND: On February 20, 2001 the Board approved Resolution 01-02-40 allowing the Transportation Facilities Revenue Bonds Series 1995 (Mid-Point Bridge) to be refunded at a savings, if certain fiscal parameters were met. Due to the length of time that the proposed funding has been outstanding, there is a need to reaffirm and extend the parameters of Resolution 01-02-40. The Board reaffirmation and extension will also allow the minutes of the February 20, 2001 meeting to be duly closed.

8. MANAGEMENT RECOMMENDATIONS: Approve the Resolution.

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
N/A	N/A	N/A	N/A	<i>[Signature]</i>	<i>OA</i> <i>7/30/02</i>	<i>OM</i> <i>7/30/02</i>	<i>RISK</i> <i>7/31/02</i>	<i>GC</i> <i>7/31/02</i>	<i>[Signature]</i> <i>8-102</i>

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

**RECEIVED BY
COUNTY ADMIN. CA**
7-29-02
2:05
COUNTY ADMIN.
FORWARDED TO: *DS*
8/1 *110*

LEE COUNTY RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA RELATING TO TRANSPORTATION FACILITIES REVENUE BONDS, SERIES 1995 (MID-POINT BRIDGE).

WHEREAS, the Board on February 20, 2001 approved Lee County Resolution No. 01-02-40 which established certain parameters which when met would allow the Transportation Facilities Revenue Bonds, Series 1995 (Mid-Point Bridge) to be refunded at a savings; and

WHEREAS, all of the parameters of Lee County Resolution No. 01-02-40 have not been met and there is a need to reaffirm Lee County Resolution No. 01-20-40 and extend said resolution and its financing parameters by the adoption of a new resolution; and

WHEREAS, this resolution is in the county's best interests and allows the county to timely take advantage of the future bond market and potential favorable present value returns on the refunded bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA, that:

1. The above recitations are incorporated herein.
2. Lee County Resolution No. 01-02-40 is reaffirmed and hereby directed to be extended consistent with the provisions thereof and this resolution.
3. Lee County Resolution No. 01-02-40 and its provisions are duly restated in this reaffirming and extension resolution and all further

documentation pertinent to Lee County Resolution No. 01-02-40 and this resolution shall be duly filed with this resolution.

- 4. The Board Meeting minutes of February 20, 2001 are hereby approved and may be finalized as deemed appropriate by the Clerk of Courts Minutes Department.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and, being put to a vote, the vote was as follows:

Bob Janes _____
Douglas R. St. Cerny _____
Ray Judah _____
Andrew Coy _____
John E. Albion _____

DULY PASSED AND ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS

OF LEE COUNTY, FLORIDA, this _____ day of _____, 2002.

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

BY: _____
Chairman

ATTEST:
CHARLIE GREEN, CLERK

APPROVED AS TO FORM:

BY: _____
Deputy Clerk

BY: _____
Office of the County Attorney

MEMORANDUM
FROM
OFFICE OF THE COUNTY MANAGER
BUDGET SERVICES

Date: May 29, 2002

To: Lisa Pierce
Clerk of Courts, Minutes

From: James Lewin *jl*
Fiscal Research Specialist

RE: Blue Sheet 200100100 – February 20, 2001

On February 20, 2001, the BOCC approved a delegating resolution for the refunding of the Transportation Facilities Revenue Bonds, Series 1995 (Midpoint Bridge). The Delegating Resolution establishes certain parameters which when met allows the 1995 bonds to be refunded with the newer issue at a savings. Since that meeting date, all of the parameters have not been met – most importantly a minimum 3% present value return on the refunded bonds.

Unfortunately, **there is no expiration date on the Delegating Resolution.** Therefore, the senior underwriter constantly monitors the bond market and periodically notifies the County of the status. The issue has been “out of the money since 1998” when an effort to refund the 1995 debt was first initiated. The 2001 agenda item represented the second attempt.

Should the market improve enough to reach the “3% present value savings”, new financial documents will need to be prepared and the proposed bond issue could be marketed. However, no improvement is expected in the near future.

Please call me at 335-2336 or lewinj@leegov.com if you require additional information.

02 MAY 29 PM 3:51
RECEIVED BY
LEE CO. ATTORNEY

LEE COUNTY BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

BLUE SHEET NO: 20010100

1. REQUESTED MOTION:

ACTION REQUESTED: Authorize the Chairman or Vice Chairman to sign a resolution for the authorization, execution and delivery of a Bond Purchase Agreement that meets certain specific criteria in connection with the Transportation Facilities Refunding Revenue Bonds, Series 2001. Authorize other approvals as necessary contained in this resolution.

WHY ACTION IS NECESSARY: Allows greater flexibility in marketing the Transportation Facilities Refunding Revenue Bonds, Series 2001.

WHAT ACTION ACCOMPLISHES: Allows the Bond Purchase Agreement to be signed (if the bonds are sold) without reconvening the Board of County Commissioners.

2. DEPARTMENTAL CATEGORY:
COMMISSION DISTRICT #:

1A

3. MEETING DATE:

02-20-2001

4. AGENDA

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- TIME REQUIRED:

5. REQUIREMENT/PURPOSE

- (Specify)
- STATUTE
 - ORDINANCE
 - ADMIN. CODE
 - OTHER

6. REQUESTOR OF INFORMATION

- A. COMMISSIONER:
- B. DEPARTMENT: County Administration
- C. DIVISION: County Manager
- BY: Bruce Loucks, Assistant County Manager

BACKGROUND: On June 2, 1998, The Board of County Commissioners authorized the County staff to proceed to prepare documents for the refunding of the Transportation Facilities Revenue Bonds, Series 1995 (Midpoint Bridge). On August 4, 1998, the Board of County Commissioners authorized distribution of a Preliminary Official Statement and authorized a Delegating Resolution for what were supposed to be the Transportation Facilities Refunding Revenue Bonds, Series 1998. However, soon after approval, the bond market rates shifted resulting in an inability to meet a minimum 3.00% of present value savings. This issue had been "out of the money" since 1998.

In January, 2001, bond market rates became favorable to again reconsider the refunding of the 1995 bonds. However, because of the length of time, a new Preliminary Official Statement, Delegating Resolution and insurance commitment were necessary. The new refunding now known as the Transportation Facilities Refunding Revenue Bonds, Series 2001 is being brought to the Board of County Commissioners. The Delegating Resolution reflects updated requirements (new dates).

8. MANAGEMENT RECOMMENDATIONS:

Approve the Delegating Resolution for the Transportation Facilities Refunding Revenue Bonds, Series 2001

9. RECOMMENDED APPROVAL

DEPARTMENT DIRECTOR	Purchasing	Human Relations	County Administration				OTHER	COUNTY ATTORNEY	COUNTY MANAGER
			OA	OM	Risk	GC			
			gs 2/27	4/27	4/27	4/27			

10. COMMISSION ACTION:

- APPROVED
- DENIED
- DEFERRED
- OTHER

RECVD.
BY CO. ATTY
2/28/01
8:00 AM
CO. ATTY-RK/01
FORWARDED TO:
10:33 AM

Blue Sheet #20010100 (Sale of Bonds – Transportation Facilities Refunding Revenue Bonds, Series 2001)

These bonds will be sold when specific criteria can be met in the market place. The governing body within a maximum of 48 hours generally should approve Bond sales. This agenda item will allow the implementation of a Delegation Resolution that gives the authorization to the Chairman or Vice Chairman to execute the bond Purchase Agreement without a meeting of the BOCC. This allows greater flexibility in selecting the most appropriate day of the week depending upon the changes in the market.

The Delegation Resolution specifies certain conditions that must be met. For the Transportation Facilities Refunding Revenue Bonds, Series 2001, the following criteria are included:

- The issue can not exceed \$100,000,000;
- The Underwriting Discount cannot exceed .70% of the par amount of the Series 2001 Bonds;
- The True Interest Cost cannot be more than 5.30% per annum;
- The final maturity cannot be later than October 1, 2027;
- The first call date may be no later than 2012.
- No call premium may exceed 2% of the Series 2001 Bonds to be redeemed;
- The percentage of present value savings must be a minimum of 3.00% as established by the BOCC Receipt by the BOCC Chairman of a disclosure statement and a truth-in-bonding statement of the Underwriter
- Receipt of a good faith deposit in the amount not less than \$1,000,000.
- The BOCC Chairman has the authority to determine which maturities will be refunded with the assistance and advise of the Financial Advisor.

The resolution also authorizes the execution and delivery of the Official Statement (OS), appoints the paying agent and registrar for the bonds, authorizes execution and delivery of an escrow deposit agreement and appoints an escrow agent, approves the execution and delivery of a continuing disclosure certificate and authorizes municipal bond insurance as well as an effective date for the bonds.

Since the initial Delegation Resolution in 1998, changes have occurred in the underwriters who were originally selected.

The underwriters originally involved in this sale were as follows:

1. Salomon Smith Barney -	50%
2. Raymond James & Associates -	15%
3. First Union Capital Markets -	15%
4. Merrill Lynch -	15%
5. Jackson Securities -	5%
	100%

First Union Capital Markets no longer exists. However, the principal underwriter who worked on this transaction is now employed with Bank of America. In addition, Merrill Lynch no longer as an active presence trading in Florida municipals. Therefore, the Bond Selection Committee recommended that distribution be amended as follows:

1. Salomon Smith Barney -	55%
2. Raymond James & Associates -	20%
3. Banc of America Securities -	20%
4. Jackson Securities -	5%
	100%

RESOLUTION NO. 01-02-40

RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED: "A RESOLUTION AUTHORIZING THE ISSUANCE BY LEE COUNTY OF NOT EXCEEDING \$100,000,000 IN THE AGGREGATE PRINCIPAL AMOUNT OF TRANSPORTATION FACILITIES REVENUE BONDS, SERIES 1987 TO FINANCE THE COST OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE COUNTY AND CONSTRUCTING AND ACQUIRING CERTAIN IMPROVEMENTS TO VARIOUS BRIDGES AND OTHER TRANSPORTATION FACILITIES LOCATED WITHIN THE COUNTY; PLEDGING THE NET REVENUES DERIVED FROM SUCH BRIDGES AND TRANSPORTATION FACILITIES TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SAID BONDS; PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION" AS AMENDED AND RESTATED IN ITS ENTIRETY; AUTHORIZING THE REFUNDING OF A PORTION OF THE COUNTY'S OUTSTANDING TRANSPORTATION FACILITIES REVENUE BONDS, SERIES 1995; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$100,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEE COUNTY, FLORIDA TRANSPORTATION FACILITIES REFUNDING REVENUE BONDS, SERIES 2001 IN ORDER TO REFUND SUCH SERIES 1995 BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AUTHORIZING A NEGOTIATED SALE OF SAID BONDS; DELEGATING CERTAIN AUTHORITY TO THE CHAIRMAN AND VICE-CHAIRMAN FOR THE AUTHORIZATION, EXECUTION AND DELIVERY OF A PURCHASE AGREEMENT WITH RESPECT THERETO, AND THE APPROVAL OF THE TERMS AND DETAILS OF SAID BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT WITH RESPECT THERETO; APPOINTING

Ala
2-20-01

THE PAYING AGENT AND REGISTRAR FOR SAID BONDS; AUTHORIZING EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT AND APPOINTING AN ESCROW AGENT THERETO; APPROVING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING MUNICIPAL BOND INSURANCE FOR THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. FINDINGS. It is hereby found and determined that:

(A) On April 16, 1986, the Board of County Commissioners of Lee County, Florida (the "Issuer") adopted Resolution No. 86-4-12, the title of which is quoted in the title of this Supplemental Resolution, authorizing, among other things, the issuance of Lee County, Florida Transportation Facilities Revenue Bonds, Series 1987, for the purpose of financing and refinancing the acquisition and construction of certain transportation related capital improvements within the Issuer, as more particularly described in such Resolution. Resolution No. 86-4-12, as restated, amended and supplemented is herein referred to as the "Resolution."

(B) Pursuant to the Resolution, the Issuer has heretofore issued its Lee County, Florida Transportation Facilities Refunding Revenue Bonds, Series 1991 and Lee County, Florida Transportation Facilities Refunding Revenue Bonds, Series 1993 (collectively, together with any hereinafter described Series 1995 Bonds which are not refunded, the "Parity Bonds"), in order to finance and refinance certain transportation related capital improvements within the Issuer.

(C) On May 16, 1995, the Issuer issued its Lee County, Florida Transportation Facilities Revenue Bonds, Series 1995 (the "Series 1995 Bonds") pursuant to the Resolution in order to acquire and construct the Midpoint Bridge including approach roads thereto.

(D) The Issuer hereby deems it in its best interests to refund all or a portion of the Series 1995 Bonds which mature on or after October 1, 2006 as shall be provided and determined herein (together with any other Bonds determined to be refunded pursuant to Section 6(D) hereof, the "Refunded Bonds") in order to achieve debt service savings.

(E) The Resolution provides for the issuance of Additional Bonds for the refunding of the Refunded Bonds upon meeting certain requirements set forth herein and in the Resolution.

(F) There is hereby authorized the payment and refunding of the Refunded Bonds in order to achieve debt service savings, all in the manner as provided by this Supplemental Resolution. For the payment and refunding of said Refunded Bonds, the Issuer shall, as provided herein, deposit part of the proceeds derived from the sale of its Lee County, Florida Transportation Facilities Refunding Revenue Bonds, Series 2001 (the "Series 2001 Bonds") in the hereinafter defined Escrow Fund to purchase direct U.S. Treasury obligations (the "Refunding Securities"), which shall be sufficient, together with investment earnings therefrom and a cash deposit, if any, to pay the Refunded Bonds as the same become due and payable or are redeemed prior to maturity, all as provided herein and in the hereinafter defined Escrow Deposit Agreement. Subsequent to the defeasance of the Refunded Bonds, the Refunded Bonds shall no longer be payable from or be secured by any portion of the Pledged Funds (as defined in the Resolution).

(G) The Issuer deems it to be in its best interest to issue the Series 2001 Bonds in order to effect the refunding of the Refunded Bonds. The Series 2001 Bonds shall be issued on parity as to the pledge of and lien on the Pledged Funds with the outstanding Parity Bonds.

(H) Due to the potential volatility of the market for tax-exempt obligations such as the Series 2001 Bonds and the complexity of the transactions relating to such Series 2001 Bonds, it is in the best interest of the Issuer to sell the Series 2001 Bonds by a negotiated sale, allowing the Issuer to enter the market at the most advantageous time, rather than at a specified advertised date, thereby permitting the Issuer to obtain the best possible price and interest rate for the Series 2001 Bonds.

(I) The Issuer anticipates receiving a favorable offer to purchase the Series 2001 Bonds from Salomon Smith Barney Inc., Raymond James & Associates, Inc., Banc of America Securities LLC and Jackson Securities Inc. (collectively, the "Underwriters"), all within the parameters set forth herein.

(J) Inasmuch as the Issuer desires to sell the Series 2001 Bonds at the most advantageous time and not wait for a scheduled meeting of the Board of County Commissioners of Lee County, Florida (the "Board"), so long as the herein described parameters are met, the Issuer hereby determines to delegate the award and sale of the Series 2001 Bonds to the Chairman of the Board within such parameters, and, in his absence or unavailability, to the Vice-Chairman of the Board;

(K) The form, terms and details of the Series 2001 Bonds shall be determined in accordance with this Supplemental Resolution.

(L) The Issuer is current in all deposits into the various accounts and subaccounts established by the Resolution and all payments heretofore required to have been deposited or made by the Issuer under the provisions of the Resolution have been made and the Issuer is in compliance with the covenants and agreements of the Resolution.

SECTION 2. DEFINITIONS. When used in this Supplemental Resolution, the terms defined in the Resolution shall have the meanings therein stated, except as such definitions shall be hereinafter amended or defined.

SECTION 3. AUTHORITY FOR RESOLUTION. This Supplemental Resolution is adopted pursuant to the provisions of the Act.

SECTION 4. AUTHORIZATION OF THE REFUNDING OF THE REFUNDED BONDS. The Issuer hereby authorizes the refunding of the Refunded Bonds in order to achieve debt service savings.

SECTION 5. DESCRIPTION OF THE SERIES 2001 BONDS. The Issuer hereby authorizes the issuance of a Series of Bonds in an aggregate principal amount not to exceed \$100,000,000 to be known as the "Lee County, Florida Transportation Facilities Refunding Revenue Bonds, Series 2001," for the principal purpose of refunding the Refunded Bonds. The Chairman may modify the designation of the Series 2001 Bonds if he determines it to be desirable or necessary. The aggregate principal amount of Series 2001 Bonds to be issued pursuant to the Resolution shall be determined by the Chairman provided such aggregate principal amount does not exceed \$100,000,000. The Series 2001 Bonds shall be dated as of March 1, 2001 (or such other date as shall be determined by the Chairman), shall be issued in the form of fully registered Bonds in denominations of \$5,000 or any integral multiple thereof, shall be numbered consecutively from one upward in order of maturity preceded by the letter "R," shall bear interest from their dated date, payable semi-annually, on October 1 and April 1 of each year (the "Interest Dates"), commencing on October 1, 2001 (or such other date as shall be determined by the Chairman).

The principal of or Redemption Price, if applicable, on the Series 2001 Bonds is payable upon presentation and surrender of the Series 2001 Bonds at the designated corporate trust office of the Paying Agent (as appointed pursuant to Section 13 hereof). Interest payable on the Series 2001 Bonds on any Interest Date will be paid by check or draft mailed to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar

month next preceding such Interest Date, or, at the request of such Holder, by bank wire transfer for the account of such Holder. All payments of principal of or Redemption Price, if applicable, and interest on the Series 2001 Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Series 2001 Bonds shall bear interest at such rates and yields, shall mature on October 1 of each of the years and in the principal amounts corresponding to such years, and shall have such redemption provisions as determined by the Chairman subject to the conditions set forth in Section 6 hereof. All of the terms of the Series 2001 Bonds will be included in a Bond Purchase Agreement, which shall be in substantially the form attached hereto and made a part hereof as Exhibit A (the "Purchase Agreement"). The Chairman is hereby authorized to execute the Purchase Agreement in substantially the form attached hereto as Exhibit A with such modifications as he deems appropriate upon satisfaction of the conditions described in Section 6 hereof.

SECTION 6. CONDITIONS TO EXECUTION OF PURCHASE AGREEMENT. The Purchase Agreement shall not be executed by the Chairman until such time as all of the following conditions have been satisfied:

(A) Receipt by the Chairman of a written offer to purchase the Series 2001 Bonds by the Underwriters substantially in the form of the Purchase Agreement attached hereto as Exhibit A, said offer to provide for, among other things, (i) not exceeding \$100,000,000 aggregate principal amount of Series 2001 Bonds, (ii) an underwriting discount (including management fee and expenses) not in excess of 0.70% of the par amount of the Series 2001 Bonds, (iii) a true interest cost of not more than 5.30% per annum, as determined by the Issuer's Financial Advisor, (iv) present value savings of at least 3.0% of the par amount of the Refunded Bonds, as determined by the Issuer's Financial Advisor, and (v) the maturities of the Series 2001 Bonds, with the final maturity being not later than October 1, 2027.

(B) With respect to any redemption terms for the Series 2001 Bonds, the first call date may be no later than October 1, 2012 and no call premium may exceed 2.0% of the par amount of that portion of the Series 2001 Bonds to be redeemed. Term Bonds may be established with such Sinking Account Installments as the Chairman deems appropriate.

(C) Receipt by the Chairman of a disclosure statement and a truth-in-bonding statement of the Underwriters dated the date of the Purchase Agreement and complying with Section 218.385, Florida Statutes.

(D) The Chairman or his designee shall select the particular maturities of the Refunded Bonds to be defeased with the assistance and advice of the Issuer's Financial

Advisor. Notwithstanding anything herein to the contrary, the Chairman is hereby authorized to select additional Bonds to be refunded with proceeds of the Series 2001 Bonds upon advice of the Issuer's Financial Advisor so long as the parameters of this Section 6 are satisfied in all respects.

(E) Receipt of a good faith deposit in an amount not less than \$1,000,000.

Upon satisfaction of all the requirements set forth in this Section 6, the Chairman is authorized to execute and deliver the Purchase Agreement containing terms complying with the provisions of this Section 6 and the Series 2001 Bonds shall be sold to the Underwriters pursuant to the provisions of such Purchase Agreement. The Chairman shall rely upon the advice of the Issuer's Financial Advisor as to satisfaction of the conditions provided in this Section 6.

SECTION 7. REDEMPTION PROVISIONS. The Series 2001 Bonds may be redeemed prior to their respective maturities as shall be determined by the Chairman pursuant to Section 6 hereof.

SECTION 8. BOOK-ENTRY. Notwithstanding the provisions set forth in Section 2.08 of the Resolution, the Series 2001 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2001 Bond for each of the maturities of the Series 2001 Bonds. Upon initial issuance, the ownership of each such Series 2001 Bond shall be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Series 2001 Bonds shall be registered in the name of Cede & Co., all payments of interest on the Series 2001 Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Series 2001 Bonds.

With respect to Series 2001 Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation to any direct or indirect participant in the DTC book-entry program (a "Participant"). Without limiting the immediately preceding sentence, the Issuer, the Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest on the Series 2001 Bonds, (B) the delivery to any Participant or any other Person other than a Series 2001 Bondholder, as shown in the registration books kept by the Registrar, of any notice with respect to the Series 2001 Bonds, including any notice of redemption, or (C) the payment to any Participant or any other Person, other than a Series 2001 Bondholder, as shown in the registration books kept by the Registrar, of any amount with respect to principal, interest or redemption premium, if any, of the Series 2001 Bonds. The Issuer, the Registrar and the Paying Agent

may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Registrar as the Holder and absolute owner of such Series 2001 Bond for the purpose of payment of principal, interest or redemption premium, if any, with respect to such Series 2001 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2001 Bond, for the purpose of registering transfers with respect to such Series 2001 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal, interest or redemption premium, if any, of the Series 2001 Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Registrar, or their respective attorneys duly authorized in writing, as provided herein and in the Resolution and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal, interest or redemption premium, if any, of the Series 2001 Bonds to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the registration books kept by the Registrar, shall receive a certificated Series 2001 Bond evidencing the obligation of the Issuer to make payments of principal, interest or redemption premium, if any, pursuant to the provisions hereof. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of the Resolution regarding transfers during the fifteen (15) days next preceding a payment date or mailing of notice of redemption, the words "Cede & Co." in the Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Issuer shall promptly deliver a copy of the same to the Registrar and the Paying Agent.

Upon (A) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Series 2001 Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2001 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Issuer, in its sole discretion, that such book-entry only system should be discontinued by the Issuer, the Series 2001 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but shall be registered in whatever name or names Holders shall designate, in accordance with the provisions of the Resolution. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Series 2001 Bonds consistent with the terms of the Resolution, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Issuer Letter of Representations previously executed by the Issuer and delivered to DTC shall apply to the payment of principal, interest and redemption premium, if any, on the Series 2001 Bonds.

SECTION 9. APPLICATION OF SERIES 2001 BOND PROCEEDS. The proceeds derived from the sale of the Series 2001 Bonds, including accrued interest and premium, if any, shall, simultaneously with the delivery of the Series 2001 Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

(A) Accrued interest shall be deposited in the Interest Subaccount of the Sinking Account of the Enterprise Fund and shall be used only for the purpose of paying the interest which shall become due on the Series 2001 Bonds.

(B) A sufficient amount of Series 2001 Bond proceeds, together with other legally available moneys of the Issuer, shall be deposited irrevocably in trust in the escrow deposit trust fund (the "Escrow Fund") established under the terms and provisions of the hereinafter defined Escrow Deposit Agreement and, other than a cash deposit, if any, shall be invested in Refunding Securities in the manner set forth in such Escrow Deposit Agreement, which investments shall mature at such times and in such amounts which, together with such cash deposit, shall be sufficient to pay the principal of, Redemption Price, if applicable, and interest on the Refunded Bonds as the same mature and become due and payable or are redeemed prior to maturity.

(C) A sufficient amount of the Series 2001 Bond proceeds shall be applied to the payment of the premium for the hereinafter defined Bond Insurance Policy and to the payment of costs and expenses relating to the issuance of the Series 2001 Bonds.

SECTION 10. TRANSFER OF CERTAIN MONEYS. The Refunded Bonds will be refunded from proceeds of the Series 2001 Bonds and from other legally available funds of the Issuer. Any excess moneys on deposit in the Sinking Account of the Enterprise Fund established for the benefit of the Refunded Bonds pursuant to the Resolution and not required to remain on deposit therein shall be transferred to the Escrow Fund established pursuant to the Escrow Deposit Agreement.

SECTION 11. PRELIMINARY OFFICIAL STATEMENT. The Issuer hereby authorizes the distribution and use of the Preliminary Official Statement in substantially the form attached hereto as Exhibit B in connection with offering the Series 2001 Bonds for sale. If between the date hereof and the mailing of the Preliminary Official Statement, it is necessary to make insertions, modifications or changes in the Preliminary Official Statement, the Chairman is hereby authorized to approve such insertions, changes and modifications. The Chairman is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12(b) under the Securities Exchange Act of 1934 in the form as mailed. Execution of a certificate by the Chairman deeming the

Preliminary Official Statement "final" as described above shall be conclusive evidence of the approval of any insertions, changes or modifications.

SECTION 12. OFFICIAL STATEMENT. Subject in all respects with the satisfaction of the conditions set forth in Section 6 hereof, the Official Statement, dated the date hereof, which shall be in substantially the form of the Preliminary Official Statement, be and the same hereby is approved with respect to the information therein contained. The Chairman is hereby authorized and directed to execute and deliver said Official Statement in the name and on behalf of the Issuer, and thereupon to cause such Official Statement to be delivered to the Underwriters with such changes, amendments, modifications, omissions and additions as may be approved by the Chairman. Said Official Statement, including any such changes, amendments, modifications, omissions and additions as approved by the Chairman, and the information contained therein are hereby authorized to be used in connection with the sale of the Series 2001 Bonds to the public. Execution by the Chairman of the Official Statement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 13. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Subject in all respects with the satisfaction of the conditions set forth in Section 6 hereof, The Bank of New York, New York, New York, is hereby designated Registrar and Paying Agent for the Series 2001 Bonds. The Chairman and the Clerk are hereby authorized to enter into any agreement which may be necessary to effect the transactions contemplated by this Section 13 and by the Resolution.

SECTION 14. AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT. Subject in all respects to the satisfaction of the conditions set forth in Section 6 hereof, the Issuer hereby authorizes and directs the Chairman and the Clerk to execute an escrow deposit agreement (the "Escrow Deposit Agreement") and to deliver the Escrow Deposit Agreement to First Union National Bank, Jacksonville, Florida, which is hereby appointed as Escrow Agent. The Escrow Deposit Agreement shall be in substantially the form of the Escrow Deposit Agreement attached hereto as Exhibit C with such changes, amendments, modifications, omissions and additions, including the date of such Escrow Deposit Agreement, as may be approved by said Chairman and Clerk. Execution by the Chairman and the Clerk of the Escrow Deposit Agreement shall be deemed to be conclusive evidence of approval of such changes.

SECTION 15. MUNICIPAL BOND INSURANCE. Subject in all respects to the satisfaction of the conditions set forth in Section 6 hereof, the Issuer hereby authorizes the payment of the principal of and interest on the Series 2001 Bonds when due to be insured pursuant to the financial guaranty insurance policy (the "Bond Insurance Policy") issued by

Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company ("Ambac Assurance"). The Chairman and the Clerk are hereby authorized to execute such documents and instruments necessary to cause Ambac Assurance to insure the Series 2001 Bonds. With respect to the Series 2001 Bonds, Ambac Assurance shall be deemed to be the "Insurer" as such term used and defined in the Resolution.

SECTION 16. PROVISIONS RELATING TO BOND INSURANCE POLICY. The following provisions relating to the Bond Insurance Policy issued by Ambac Assurance shall apply to the Series 2001 Bonds so long as the payment obligations of Ambac Assurance under the Bond Insurance Policy have been satisfied and any Series 2001 Bonds shall remain Outstanding:

(A) Notices to be given to Ambac Assurance Surveillance Department. The Issuer shall furnish to the Surveillance Department of Ambac Assurance:

(i) as soon as practicable after the filing thereof, a copy of any financial statements of the Issuer and a copy of any audit and annual report of the Issuer;

(ii) a copy of any notice to be given to the registered owners of the Series 2001 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 2001 Bonds, and any certificate rendered pursuant to the Resolution relating to the security for the Series 2001 Bonds;

(iii) to the extent that the Issuer has entered into a continuing disclosure agreement or certificate with respect to the Series 2001 Bonds, Ambac Assurance shall be included as party to be notified; and

(iv) such additional information it may reasonably request.

(B) Notices to be given to Ambac Assurance General Counsel Office. The Issuer shall furnish to the General Counsel Office of Ambac Assurance:

(i) notice of any failure of the Issuer to provide any relevant notices, certificates, etc.

(ii) immediate notice that there are insufficient moneys to make any payments of principal and/or interest on the Series 2001 Bonds as required by the Resolution and immediate notice of any event of default under the Resolution.

(C) Other Information. The Issuer will permit Ambac Assurance to discuss the affairs, finances and accounts of the Issuer or any information Ambac Assurance may

reasonably request regarding the security for the Series 2001 Bonds with appropriate officers of the Issuer. The Issuer will permit Ambac Assurance to have access to and to make copies of all books and records relating to the Series 2001 Bonds at any reasonable time.

Ambac Assurance shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default under the Resolution; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2001 Bonds.

(D) Payment Procedure Pursuant to Municipal Bond Insurance Policy. The Issuer agrees to comply with the following provisions and to cause the Paying Agent for the Series 2001 Bonds to comply with the following provisions:

(i) at least one (1) day prior to all interest payment dates the Issuer or the Paying Agent will determine whether there will be sufficient funds in the funds and accounts established under the Resolution to pay the principal of or interest on the Series 2001 Bonds on such interest payment date. If the Issuer or the Paying Agent determines that there will be insufficient funds in such funds or accounts, such entity shall immediately notify the other and Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2001 Bonds to which such deficiency is applicable and whether such Series 2001 Bonds will be deficient as to principal or interest, or both. If either the Issuer or the Paying Agent has not so notified Ambac Assurance at least one (1) day prior to an interest payment date, Ambac Assurance will make payments of principal or interest due on the Series 2001 Bonds on or before the first (1st) day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Issuer or the Paying Agent.

(ii) the Paying Agent shall, after it or the Issuer gives notice to Ambac Assurance as provided in (D)(i) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Bond Registrar and all records relating to the funds and accounts maintained under the Resolution.

(iii) the Paying Agent shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2001 Bonds entitled to receive

principal or interest payments from Ambac Assurance under the terms of the Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (a) to mail checks or drafts to the registered owners of the Series 2001 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (b) to pay principal upon the Series 2001 Bonds surrendered to the Insurance Trustee by the registered owners of the Series 2001 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(iv) the Paying Agent shall, at the time it provides notice to Ambac Assurance pursuant to (D)(i) above, notify registered owners of Series 2001 Bonds entitled to receive the payment of principal or interest thereon from Ambac Assurance (a) as to the fact of such entitlement, (b) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Series 2001 Bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (c) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2001 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2001 Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Paying Agent, and (d) that should they be entitled to receive partial payment of principal from Ambac Assurance they must surrender their Series 2001 Bonds for payment thereon first to the Paying Agent who shall note on such Series 2001 Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(v) in the event that the Paying Agent has notice that any payment of principal of or interest on a Series 2001 Bond which has become due for payment and which is made to a Series 2001 Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time Ambac Assurance is notified pursuant to (D)(i) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Paying Agent shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2001 Bonds which have been made by the Paying Agent and subsequently recovered from registered owners and the dates on which such payments were made.

(vi) in addition to those rights granted Ambac Assurance under the Resolution, Ambac Assurance shall, to the extent it makes payment of principal or interest on Series 2001 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (a) in the case of subrogation as to claims for past due interest, the Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the Issuer maintained by the Bond Registrar upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Series 2001 Bonds, and (b) in the case of subrogation as to claims for past due principal, the Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the Issuer maintained by the Paying Agent upon surrender of the Series 2001 Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(E) Consent of Ambac Assurance. (i) Any provision of the Resolution expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance.

(ii) Except as otherwise provided in the Resolution, Ambac Assurance's consent shall be required in addition to Series 2001 Bondholder consent, when required, for the following purposes: (a) execution and delivery of any Supplemental Resolution if Series 2001 Bondholder consent is required pursuant to the Resolution; (b) removal of the Paying Agent and selection and appointment of any successor Paying Agent; and (c) initiation or approval of any action not described in (a) or (b) above which requires consent of the Series 2001 Bondholders.

(iii) Any reorganization or liquidation plan with respect to the Issuer must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Series 2001 Bondholders absent a default by Ambac Assurance under the Bond Insurance Policy.

(iv) Anything in the Resolution to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined in the Resolution, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Series 2001 Bondholders for the benefit of the Series 2001 Bondholders under the Resolution.

(F) Provisions Concerning the Paying Agent.

(i) Ambac Assurance shall receive prior written notice of any Paying Agent resignation or removal.

(ii) Every successor Paying Agent appointed by the Issuer shall be a trust company or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance. Any successor Paying Agent shall not be appointed unless Ambac Assurance approves such successor in writing.

(iii) Notwithstanding any other provision of the Resolution, in determining whether the rights of the Series 2001 Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Resolution, the Issuer shall consider the effect on the Series 2001 Bondholders as if there were no Bond Insurance Policy.

(iv) Notwithstanding any other provision of the Resolution, no removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to Ambac Assurance, shall be appointed.

(G) Interested Parties. To the extent that the Resolution confers upon or gives or grants to Ambac Assurance any right, remedy or claim under or by reason of the Resolution, Ambac Assurance is thereby explicitly recognized as being a third-party beneficiary thereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder. Nothing in the Resolution, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Issuer, the Paying Agent, the Bond Registrar, Ambac Assurance and the registered owners of the Series 2001 Bonds, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent, the Bond Registrar, Ambac Assurance and the registered owners of the Series 2001 Bonds.

(H) Defeasance. Notwithstanding anything herein or in the Resolution to the contrary, in the event that the principal and/or interest due on the Series 2001 Bonds shall be paid by Ambac Assurance pursuant to the Bond Insurance Policy, the Series 2001 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Pledged Revenues and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

SECTION 17. SECONDARY MARKET DISCLOSURE. Subject in all respects to the satisfaction of the conditions set forth in Section 6 hereof, the Issuer hereby covenants and agrees that, in order to provide for compliance by the Issuer with the secondary market disclosure requirements of Rule 15c2-12 of the Security and Exchange Commission (the "Rule"), it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer and dated the dated date of the Series 2001 Bonds, as it may be amended from time to time in accordance with the terms thereof. The Continuing Disclosure Certificate shall be substantially in the form of Exhibit D hereto with such changes, amendments, modifications, omissions and additions as shall be approved by the Chairman who is hereby authorized to execute and delivery such Certificate. Notwithstanding any other provision of the Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an Event of Default under the Resolution; provided, however, to the extent permitted by law, the sole and exclusive remedy of any Series 2001 Bondholder for the enforcement of the provisions of the Continuing Disclosure Certificate shall be an action for mandamus or specific performance, as applicable, by court order, to cause the Issuer to comply with its obligations under this Section 17 and the Continuing Disclosure Certificate. For purposes of this Section 17, "Series 2001 Bondholder" shall mean any person who (A) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2001 Bonds (including persons holding Series 2001 Bonds through nominees, depositories or other intermediaries), or (B) is treated as the owner of any Series 2001 Bond for federal income tax purposes.

SECTION 18. GENERAL AUTHORITY. The members of the Board, the Clerk and County Manager of the Issuer and the officers, attorneys and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by this Supplemental Resolution, the Resolution, the Official Statement, the Escrow Deposit Agreement, the Continuing Disclosure Certificate or the Purchase Agreement or desirable or consistent with the requirements hereof or the Resolution, the Official Statement, the Escrow Deposit Agreement, the Continuing Disclosure Certificate or the Purchase Agreement for the full punctual and complete performance hereof or thereof. Each member, employee, attorney and officer of the Issuer or the Board, the Clerk and the County Manager is hereby authorized and directed to execute and deliver any and all papers and instruments and to be and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated hereby. The Issuer hereby authorizes its Financial Advisor, the Underwriters and Bond Counsel to do all things necessary to acquire the Escrow Securities described in the Escrow Deposit Agreement. The Chairman is hereby authorized to enter into any agreements necessary for the acquisition of such Escrow Securities, including but not limited to any forward supply or delivery agreements. In the Chairman's absence of unavailability, the Vice-Chairman is hereby authorized to do all things required

or authorized of the Chairman hereunder, including execution of all agreements described herein.

SECTION 19. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall 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 separable from the remaining covenants, agreements and provisions and shall in no way affect the validity of any of the other provisions hereof or of the Series 2001 Bonds issued hereunder.

SECTION 20. RESOLUTION TO CONTINUE IN FORCE. Except as herein expressly provided, the Resolution and all the terms and provisions thereof are and shall remain in full force and effect.'

SECTION 21. EFFECTIVE DATE. This Supplemental Resolution shall become effective immediately upon its adoption.

ADOPTED this 20th day of February, 2001.

**BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA**

(SEAL)

By: _____

Chairman

ATTEST

Michelle D. Keisner D.C.
Clerk

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

James Yeager
County Attorney

EXHIBIT A

FORM OF PURCHASE AGREEMENT



EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT



EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

