RESOLUTION NO. ________

A RESOLUTION OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AUTHORIZING THE ISSUANCE OF ROAD IMPROVEMENT REVENUE BONDS, SERIES 2006, OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,000,000 FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF ROAD IMPROVEMENTS WITHIN THE VILLAGE (CRANDON BOULEVARD IMPROVEMENTS--PHASE III), FINANCING ARCHITECTURAL, ENGINEERING, ENVIRONMENTAL, LEGAL AND OTHER PLANNING COSTS RELATED THERETO, AND PAYING COSTS OF ISSUANCE OF THE BONDS; AWARDING THE SALE OF THE BONDS TO SUNTRUST BANK; PROVIDING FOR SECURITY FOR THE BONDS; PROVIDING OTHER PROVISIONS RELATING TO THE BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on November 14, 2006, the Council adopted Ordinance No. 2006-10 (the "Ordinance") authorizing the issuance of not exceeding $4,000,000 of bonds for the purpose of financing a portion of the costs of road improvements within the Village (Crandon Boulevard Improvements--Phase III), financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the bonds or notes (collectively, the "Project"); and

WHEREAS, pursuant to the Ordinance, the Village has solicited proposals for the financing of the Project; and

WHEREAS, the Council hereby determines to accept a commitment (the "Commitment") from SunTrust Bank (the "Bank") to purchase the Bonds; and

WHEREAS, the Council desires to set forth the details of the Bonds in this Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA:

<u>SECTION 1</u>. <u>AUTHORIZATION OF BONDS</u>. Pursuant to the provisions of this Bond Resolution and the Ordinance, Road Improvement Revenue Bonds of the Village to be designated "Village of Key Biscayne, Florida Road Improvement Revenue Bonds, Series 2006" (the "Bonds"), are hereby authorized to be issued in an aggregate principal amount of $4,000,000 for the purpose of financing a portion of the costs of road improvements within the Village (Crandon Boulevard

Improvements--Phase III), financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the Bonds.

SECTION 2. TERMS OF THE BONDS.

(a) General Provisions. The Bonds shall be issued in fully registered form without coupons. The principal of and interest on the Bonds shall be payable when due in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owners of the Bonds ("Owners") or their legal representatives at the addresses of the Owners as they appear on the registration books of the Village. Payments shall be made in immediately available funds by no later than 2:00 p.m. on the date due, free and clear of any defenses, set-offs, counterclaims, or withholdings or deductions for taxes.

The Bonds shall be dated the date of their issuance and delivery and shall be initially issued as one Bond in the denomination of $4,000,000. The Bonds shall mature on December 1, 2021.

THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE OR A PLEDGE OF THE FAITH AND CREDIT OF THE VILLAGE, BUT SHALL BE PAYABLE EXCLUSIVELY FROM THE TOLL REVENUES, AS DEFINED IN THIS RESOLUTION. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE VILLAGE TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THE BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE VILLAGE, AND THE HOLDERS OF THE BONDS SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

(b) Interest Rate. Subject to adjustment as provided below, the Bonds shall bear interest on the outstanding principal balance from their date of issuance payable quarterly on the first day of each March, June, September and December (the "Interest Payment Dates"), commencing March 1, 2007, at an interest rate equal to 4.05% per annum.

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

(i) Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred, the rate of interest on the Bonds shall be increased to a rate per annum equal to 6.12% per annum (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village on the next succeeding Interest Payment Date following the

Determination of Taxability. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested with the Internal Revenue Service by either the Village or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Village to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, or (iv) receipt by the Village of an opinion of bond counsel to the Village to the effect that interest on the Bonds is includable for federal income tax purpose in the gross income of the Owners thereof.

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

(a) A equals the Taxable Rate (expressed as a percentage);

(b) B equals the interest rate on the Bonds (expressed as a percentage); and

(c) C equals the portion of the Bonds the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village on the next succeeding Interest Payment Date following the Determination of Taxability.

(iii) Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to (1-A divided by 1-B), where A equals the

Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

(iv) Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Bonds or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on the Bonds or causes a reduction in yield on the Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Bonds, including without limitation the imposition of any excise tax or surcharge thereon, or (b) if, as a result of action by any pubic body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owners or any former Owners of the Bonds (other than by reason of a change described above or by reason of any action or failure to act on the part of any Owner or any former Owner of the Bonds) by reason of the ownership of the Bonds, the Village shall reimburse any such Owner within five (5) days after receipt by the Village of written demand for such payment, and the Village agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change. The determination of the after-tax yield calculation shall be verified by a firm of certified public accountants regularly employed by the Bank (or the current Owner of the Bonds) and acceptable to the Village, and such calculation, in the absence of manifest error, shall be binding on the Village and the Owners.

(c) Prepayment Provisions.

(i) Mandatory Prepayment. The principal of the Bonds shall be subject to mandatory prepayment in quarterly installments on each Interest Payment Date, commencing March 1, 2007 (each a "Scheduled Due Date"). The schedule of principal and interest payments due on each Scheduled Due Date shall be as set forth in the Schedule to the Bond form attached hereto as Exhibit "A".

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

(ii) Optional Prepayment. Upon two (2) Business Days prior written notice to the Owner, the Village may prepay amounts owing under the Bonds at any time and from time to time. Such prepayment notice shall specify the amount of the prepayment which is to be applied. In the event of prepayment while the Bank is the Owner of the Bonds, the Village may be required to pay the Bank an additional fee (a prepayment charge) determined in the manner provided below, to compensate the Bank for all losses, costs and expenses incurred in connection with such prepayment. The fee shall be equal to the present value of the difference between (1) the amount that would have been realized by the Bank on the prepaid amount for the remaining term of the Bonds at 4.05% and (2) the amount that would be realized by the Bank by reinvesting such prepaid funds for the remaining term of the Bonds at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect two Business Days prior to the Bonds prepayment date; both discounted at the same interest utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the Village may repay with no additional fee. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the Bank may substitute the Federal Reserve H.15 Statistical Release with another similar index. The Bank shall provide the Village with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding.

Partial prepayments may be made, subject to a prepayment charge based upon the same calculation methodology described above. Any partial prepayment shall be applied to installments of principal in the inverse order of maturity and shall not postpone the due dates of, or relieve the amounts of, any scheduled installment payments due hereunder. Any amounts prepaid hereunder may not be re-borrowed. For purposes of the preceding paragraph, the term Business Day shall mean any day other than a Saturday, Sunday or legal holiday or other day on which the Bank is authorized or required to close.

<u>SECTION 3</u>. <u>EXECUTION OF BONDS</u>. The Bonds shall be signed in the name of the Village by the Mayor or Vice Mayor (or, in their absence, any other member of the Village Council) and the Village Clerk, and its seal shall be affixed thereto or imprinted or reproduced thereon. The signatures of the Mayor or Vice Mayor (or, in their absence, any other member of the Village Council) and Village Clerk on the Bonds may be manual or facsimile signatures, provided that the signature of one of such officers shall be a manual signature. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Village before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed and sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Village by such person as at the actual time of the execution of such Bonds shall hold the proper office, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

<u>SECTION 4</u>. <u>NEGOTIABILITY, REGISTRATION AND CANCELLATION</u>. The Village shall serve as Registrar and as such shall keep books for the registration of Bonds and for the registration of transfers of Bonds. Bonds may be transferred or exchanged upon the registration books kept by the Village, upon delivery to the Village, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Village and with guaranty of signatures satisfactory to the Village, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. Bonds may be exchanged for one or more Bonds of the same

aggregate principal amount and maturity and in denominations in integral multiples of $250,000 (except that an odd lot is permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Village.

The Village may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Village 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 they become due and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

In all cases in which Bonds are transferred or exchanged in accordance with this Section, the Village shall execute and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Village. There shall be no charge for any such exchange or transfer of Bonds, but the Village may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Village shall not be required to transfer or exchange Bonds for a period of 15 days next preceding an Interest Payment Date on such Bonds.

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

In case a portion but not all of an outstanding Bond shall be prepaid, such Bond shall not be surrendered in exchange for a new Bond, but the Village shall make a notation indicating the remaining outstanding principal of the Bonds upon the registration books. The Bond so redesignated shall have the remaining principal as provided on such registration books and shall be deemed to have been issued in the denomination of the outstanding principal balance, which shall be an authorized denomination.

SECTION 5. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Village may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in the case of a mutilated Bond, in exchange and substitution for such mutilated Bond upon surrender of such mutilated Bond or in the case of a destroyed, stolen or lost Bond in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner furnishing the Village proof of his ownership thereof, satisfactory proof of loss or destruction thereof and satisfactory indemnity, complying with such other reasonable regulations and conditions as the Village may prescribe and paying such expenses as the Village may incur. The Village shall cancel all mutilated Bonds that are surrendered. If any mutilated, destroyed, lost or stolen Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Village may pay the principal of and interest on such Bond upon the Owner complying with the requirements of this paragraph.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations of the Village whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the extent as all other Bonds issued hereunder.

SECTION 6. FORM OF BONDS. The text of the Bonds shall be of substantially the tenor set forth in Exhibit "A" hereto, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Resolution.

SECTION 7. PLEDGE OF REVENUES.

(a) The Village hereby pledges, assigns and grants a security interest to the Owners in the Toll Revenues in order to secure the principal of and interest on the Bonds. The Village covenants that for so long as the Bonds are outstanding it shall take all necessary steps to qualify to continue to receive the Toll Revenues as provided for in the Interlocal Agreement. The Village represents and warrants to the Owners that there are no other obligations of the Village currently outstanding secured by the Toll Revenues.

(b) The Village will not issue any additional obligations secured by the Toll Revenues, unless (i) the ratio of the amount of Toll Revenues collected during the preceding fiscal year of the Village divided by the Maximum Annual Debt Service on all Debt Obligations secured by the Toll Revenues and on the Debt Obligations proposed to be issued, is at least equal to 1.20, (ii) no Event of Default exists hereunder and (iii) the other covenants of the Village contained herein will continue to be met. This provision shall not apply, however, if the Village has implemented as security for the Bonds a covenant to budget and appropriate from legally available non-ad valorem revenues of the Village as provided in paragraph (c) below.

(c) In the event the Toll Revenues are insufficient, at any time, to cover debt service on the Bonds, the Village shall take all steps necessary to secure the Bonds by a covenant to budget and appropriate from legally available non-ad valorem revenues of the Village; and in the event the Village does not do so within a reasonable time, the Owner shall have the right to demand immediate payment of the Bonds in full.

(d) As used in this Resolution, (i) the term "Toll Revenues" means the revenues received by the Village from Miami-Dade County derived from toll revenues from the Rickenbacker Causeway pursuant to the Interlocal Agreement, (ii) the term "Interlocal Agreement" means the agreement between the Village and Miami-Dade County, relating to the sharing of the toll revenues from the Rickenbacker Causeway; (iii) the term "Maximum Annual Debt Service" means the maximum amount of principal and interest required in the then current or any future fiscal year to pay all Debt Obligations; and (iv) the term "Debt Obligations" means debt service on debt obligations of the Village, including the Bonds, which are secured by or payable from the Toll Revenues.

(e) Calculations of Toll Revenues will be based on information derived from the most recently audited fiscal year end financial statements. For purposes of calculating Maximum

Annual Debt Service, the interest rate to be assumed for indebtedness bearing interest at a variable rate shall be equal to the higher of six percent (6%) per annum or the actual rate of interest paid by the Village with respect to such indebtedness during the month preceding the date of calculation, and such indebtedness shall be assumed to be fully funded.

SECTION 8. BOND FUND. There is hereby created a fund entitled "Village of Key Biscayne, Florida Road Improvement Revenue Bonds, Series 2006 Bond Fund" (the "Bond Fund"). There shall be deposited into the Bond Fund on each Interest Payment Date sufficient amounts of Toll Revenues (or, if required by Section 7 (c) hereof, available non-ad valorem revenues) which, together with the amounts already on deposit therein, will enable the Village to pay the principal of and interest on the Bonds on each Interest Payment Date. Moneys in the Bond Fund shall be applied on each Interest Payment Date to the payment of principal of and interest on the Bonds coming due on each such date.

SECTION 9. INVESTMENT OF BOND FUND. Subject to Section 12 hereof, funds in the Bond Fund may be invested in the following investments, maturing at or before the time such funds may be needed to pay principal of or interest on Bonds, to the extent such investments are legal for investment of municipal funds ("Authorized Investments"):

(a) The Local Government Surplus Funds Trust Fund;

(b) Negotiable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities;

(c) Interest-bearing time deposits or savings accounts in banks organized under the laws of the State of Florida (the "State"), in national banks organized under the laws of the United States and doing business and situated in the State, in savings and loan associations which are under State supervision, or in federal savings and loan associations located in the State and organized under federal law and federal supervision, provided that any such deposits are secured by collateral as may be prescribed by law;

(d) Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;

(e) Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association;

(f) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; or

(g) Any other investments that at the time are legal investments for municipal funds, are permitted by the duly approved investment policy of the Village and as to which the Bank has not objected in writing.

SECTION 10. APPLICATION OF BOND PROCEEDS.

The proceeds received upon the sale of the Bonds shall be applied simultaneously with the delivery of the Bonds, as follows:

1. The Village shall first use the moneys to pay costs of the issuance of the Bonds.

2. The remainder of the proceeds of the sale of the Bonds shall be deposited in a separate account (hereinafter referred to as the "Project Account") maintained by the Village.

Pending their use, the proceeds in the Project Fund may be invested in Authorized Investments, maturing not later than the date or dates on which such proceeds will be needed for the purposes of this Bond Resolution. Subject to Section 12 hereof, any income received upon such investment shall be deposited in the Project Fund and applied to costs of the Project or, at the option of the Village, deposited in the Bond Fund and used to pay interest on the Bonds until completion of the Project. Subject to Section 12 hereof, after the completion of the Project, any remaining balance of proceeds of the Bonds shall be deposited into the Bond Fund and used solely to pay principal of the Bonds.

The Project Fund shall be kept separate and apart from all other funds of the Village and the moneys on deposit therein shall be withdrawn, used and applied by the Village solely for the purposes set forth herein. Pending such application, the Project Fund shall be subject to the lien of the Owners of the Bonds for the payment of the principal of and interest on the Bonds.

The registered Owners shall have no responsibility for the use of the proceeds of the Bonds, and the use of such Bond proceeds by the Village shall in no way affect the rights of such registered Owners. The Village shall be obligated to apply the proceeds of the Bonds solely for financing costs of the Project. However, the Village shall be irrevocably obligated to continue to pay the principal of and interest on the Bonds notwithstanding any failure of the Village to use and apply such Bond proceeds in the manner provided herein.

SECTION 11. FUNDS. Each of the funds and accounts herein established and created shall constitute trust funds for the purposes provided herein for such funds and accounts respectively. The money in such funds and accounts shall be continuously secured in the same manner as deposits of Village funds are authorized to be secured by the laws of the State of Florida. Except as otherwise provided herein, earnings on any investments in any amounts on any of the funds and accounts herein established and created shall be credited to such respective fund or account.

The designation and establishment of the funds and accounts in and by this Bond Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Village for the purposes herein provided and to establish certain priorities for application of such revenues and assets.

SECTION 12. INVESTMENTS AND USE OF PROCEEDS TO COMPLY WITH INTERNAL REVENUE CODE OF 1986. The Village covenants to the Owners of the Bonds that it will take all actions and do all things necessary and desirable in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, and shall refrain from taking any actions that would cause interest on the Bonds to be included in gross income for federal income tax purposes. In particular, the Village will not make or direct the making of any investment or other use of the proceeds of the Bonds which would cause such Bonds to be "private activity bonds" as that term is defined in Section 141 (or any successor provision thereto) of the Code or "arbitrage bonds" as that term is defined in Section 148 (or any successor provision thereto) of the Code, and all applicable regulations promulgated under the Code, and that it will comply with the applicable requirements of Sections 141 and 148 of the Code and the aforementioned regulations throughout the term of the Bonds.

SECTION 13. DESIGNATION UNDER SECTION 265(b)(3) OF THE CODE. The Village hereby designates the Bonds as qualified tax-exempt obligations under Section 265(b)(3)(B) of the Code, and shall make all necessary filings in order to effectuate such election. The Village represents that neither the Village nor any subordinate entities or entities issuing tax-exempt obligations on behalf of the Village within the meaning of Section 265(b)(3) of the Code have issued tax-exempt obligations during calendar year 2006 and neither the Village nor any such entities expect to issue tax-exempt obligations during calendar year 2006.

SECTION 14. ARBITRAGE REBATE COVENANTS. There is hereby created and established a fund to be held by the Village, designated the "Village of Key Biscayne Road Improvement Revenue Bonds, Series 2006 Rebate Fund" (the "Rebate Fund"). The Rebate Fund shall be held by the Village separate and apart from all other funds and accounts held by the Village under this Resolution and from all other moneys of the Village.

Notwithstanding anything in this Resolution to the contrary, the Village shall transfer to the Rebate Fund the amounts required to be transferred in order to comply with the Rebate Covenants, if any, attached as an Exhibit to the Arbitrage Certificate to be delivered by the Village on the date of delivery of the Bonds (the "Rebate Covenants"), when such amounts are so required to be transferred. The Village Manager shall make or cause to be made payments from the Rebate Fund of amounts required to be deposited therein to the United States of America in the amounts and at the times required by the Rebate Covenants. The Village covenants for the benefit of the Owners of the Bonds that it will comply with the Rebate Covenants. The Rebate Fund, together with all moneys and securities from time to time held therein and all investment earnings derived therefrom, shall be excluded from the pledge and lien of this Resolution. The Village shall not be required to comply with the requirements of this Section 14 in the event that the Village obtains an opinion of nationally recognized bond counsel that (i) such compliance is not required in order to maintain the federal income tax exemption of interest on the Bonds and/or (ii) compliance with some other requirement is necessary to maintain the federal income tax exemption of interest on the Bonds.

SECTION 15. SPECIAL COVENANTS.

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

(b) The total Debt of the Village, including amounts authorized but still not drawn down under existing loan agreements and other contractual arrangements with banks and other financial institutions, underwriters, brokers and/or intermediaries, shall not exceed the greater of:

(i) one percent (1%) of the total assessed value of all property within the Village, as certified by the Miami-Dade County Property Appraiser for the current fiscal year; or

(ii) that amount which would cause annual Debt Service to equal fifteen percent (15%) of General Fund expenditures for the previous fiscal year;

provided, however, that if in the future the Village Charter is amended to permit total Debt to exceed the amounts set forth above, then the total Debt of the Village permitted hereunder shall be deemed to be such greater amount consistent with the Charter.

(c) As used in this Section 15, the following terms shall have the meaning ascribed to them in this subsection:

(i) "Debt" shall mean any obligation of the Village to repay borrowed money however evidenced since the date of its incorporation regardless of tenor or term for which it was originally contracted or subsequently converted through refinancing or novation, except (A) any obligation required to be repaid in less than a year and which was incurred solely for emergency relief of natural disasters, or (B) that portion of any obligations for operations which are financed and operated in an independent, self-liquidating manner and recovered entirely through currently collected user fees and charges.

(ii) "Debt Service" shall include, without limitation thereto, scheduled interest payments, repayments of principal and all financial fees arising from Debt or from the underlying contractual obligations, whether as originally incurred or subsequently deferred or otherwise renegotiated.

(iii) "General Fund" shall mean any and all revenues of the Village, from whatever source derived, except those revenues derived from special assessments, user fees and charges and designated as a separate fund to finance goods and services to the public.

SECTION 16. COVENANTS BINDING ON VILLAGE AND SUCCESSOR. All covenants, stipulations, obligations and agreements of the Village contained in this Resolution constitute a contract between the Village and the Owners of the Bonds and shall be deemed to be covenants, stipulations, obligations and agreements of the Village to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the successor or successors thereof from time to time and upon the officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Village or upon the Village Council by the provisions of this Resolution shall be exercised or performed by the Village Council or by such officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the Village Council or officer, agent or employee of the Village in his or her individual capacity, and neither the members of the Village Council nor any officer, agent or employee of the Village executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 17. EVENTS OF DEFAULT. Each of the following events is hereby declared an "event of default":

(a) payment of the principal of or amortization installments of any of the Bonds shall not be made when the same shall become due and payable; or

(b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) the Village shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Bonds or in this Resolution (except for a default described in subsection (a) or (b) of this Section) on the part of the Village to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring same to be remedied shall have been given to the Village by any Owner of any Bond; provided that it shall not constitute an event of default if the default is not one that can be cured within such sixty (60) days, as agreed by the Owners and the

Village, and the Village commences within such sixty (60) days and, in the sole judgment of the Owners, is proceeding diligently with action to correct such default; or

(d) any proceeding shall be instituted with or without the consent of the Village under federal bankruptcy laws or other federal or state laws affecting creditors' rights or any proceeding shall otherwise be instituted for the purpose of effecting a composition between the Village and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted and any such proceeding shall not have been dismissed with prejudice within thirty (30) days after the institution of the same.

SECTION 18. REMEDIES; RIGHTS OF OWNERS. Upon the occurrence and continuance of any event of default specified in Section 17 hereof, the Owners of the Bonds may pursue any available remedy by suit, at law or in equity to enforce the payment of the principal of and interest on the Bonds then outstanding.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any event of default hereunder shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

The Village agrees, to the extent permitted by law, to indemnify the Bank and its directors, officers, employees and agents from and against any losses, claims, damages, liabilities and expenses (including, without limitation, counsel fees and expenses) which may be incurred in connection with enforcement of the provisions of this Resolution and the Bonds.

SECTION 19. DEFEASANCE.

(a) The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways.

(i) by paying the principal of, prepayment premium, if any, and interest on the Bonds when the same shall become due and payable; or

(ii) by depositing with an escrow agent certain moneys irrevocably pledged to the payment of the Bonds, which together with other moneys lawfully available therefor, if any, shall be sufficient at the time of such deposit with the escrow agent to pay when due the principal, prepayment premium, if any, and interest due and to become due on said Bonds on or prior to the prepayment date or maturity date thereof; or

(iii) by depositing with an escrow agent moneys irrevocably pledged to the payment of the Bonds, which together with other moneys lawfully available therefor, when

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invested by the escrow agent in direct obligations of the United States of America which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof, will provide moneys which shall be sufficient (as evidenced by a verification report of an independent certified public accountant or firm of accountants) to pay when due the principal, prepayment premium, if any, and interest due and to become due on said Bonds on or prior to the prepayment date or maturity date thereof.

Upon such payment or deposit with an escrow agent in the amount and manner provided in this Section 19, the Bonds shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Resolution and the covenants of the Village hereunder and all liability of the Village with respect to said Bonds shall cease, terminate and be completely discharged and extinguished and the holders thereof shall be entitled to payment solely out of the moneys or securities so deposited with the escrow agent; provided, however, that (i) if any Bonds are to be redeemed prior to the maturity thereof, notice of the redemption thereof shall have been duly given in accordance with the provisions of Section 2 hereof and (ii) in the event that any Bonds are not by their terms subject to redemption with the next succeeding sixty (60) days following a deposit of moneys with the escrow agent in accordance with this Section, the Village shall have given the escrow agent in form satisfactory to it irrevocable instructions to mail to the Owners of such Bonds at their addresses as they appear on the registration books of the Village, a notice stating that a deposit in accordance with this Section has been made with the escrow agent and that the Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on said Bonds.

(b) Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any portion of the Bonds.

(c) If any portion of the moneys deposited with an escrow agent for the payment of the principal of, redemption premium, if any, and interest on any portion of the Bonds is not required for such purpose, the escrow agent shall transfer to the Village the amount of such excess and the Village may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(d) Notwithstanding any of the foregoing, the requirements of Section 12 and 14 hereof relating to use and investment of proceeds and rebate amounts due to the United States pursuant to the Rebate Covenants shall survive the payment of principal and interest with respect to the Bonds or any portion thereof.

SECTION 20. SALE OF BONDS. Based upon the uncertainty of the interest rate environment if sale of the Bonds is delayed, the Village hereby determines the necessity for a negotiated sale of the Bonds. The Village has been provided all applicable disclosure information required by Section 218.385, Florida Statutes. The negotiated sale of the Bonds is hereby approved to the Bank at a purchase price of par.

SECTION 21. AUTHORITY OF OFFICERS. The Mayor, the Vice Mayor, any member of the Council, the Village Manager, the Village Clerk, the Finance Director and any other proper official of the Village, are and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transaction contemplated by this Resolution and the other documents identified herein.

SECTION 22. SEVERABILITY. In case any one or more of the provisions of this Resolution or of any Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution or of the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Resolution is adopted with the intent that the laws of the State shall govern their construction.

SECTION 23. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND HOLIDAYS. In any case where the date of maturity of interest on or principal of the Bonds shall be a Saturday, Sunday or a day on which the banks in the State are required, or authorized or not prohibited, by law (including executive orders) to close and are closed, then payment of such interest or principal need not be made by the Village on such date but may be made on the next succeeding business day on which the banks in the State are open for business.

SECTION 24. OPEN MEETING FINDINGS. It is hereby found and determined that all official acts of the Village Council concerning and relating to the adoption of this Resolution and all prior resolutions affecting the Village Council's ability to issue the Bonds were taken in an open meeting of the Village Council and that all deliberations of the Village Council or any of its committees that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements, including Section 286.011, Florida Statutes.

SECTION 25. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

SECTION 26. EFFECTIVE DATE. This Resolution shall take effect on December 14, 2006.

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PASSED AND ADOPTED this 5th day of December, 2006.

MAYOR

ATTEST:

CONCHITA H. ALVAREZ
CMC, VILLAGE CLERK

APPROVED AS TO LEGAL FORM AND SUFFICIENCY:

VILLAGE ATTORNEY

EXHIBIT "A"

No. R- **$4,000,000**

UNITED STATES OF AMERICA

STATE OF FLORIDA

VILLAGE OF KEY BISCAYNE

**ROAD IMPROVEMENT REVENUE BONDS
SERIES 2006**

Registered Owner: SunTrust Bank

Principal Amount: Four Million Dollars ($4,000,000)

KNOW ALL MEN BY THESE PRESENTS, that the Village of Key Biscayne, Florida (the "Village"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns (the "Bank"), from the sources hereinafter mentioned, the Principal Amount specified above. Subject to the rights of prior prepayment and redemption described in the Bond, the Bond shall mature on December 1, 2021. Payments due hereunder shall be made no later than 2:00 p.m. on the date due, free and clear of any defenses, set-offs, counterclaims, or withholding or deductions for taxes.

This Bond is issued under authority of and in full compliance with the Constitution and laws of the State of Florida, including particularly Part II of Chapter 166, Florida Statutes, as amended, the Charter of the Village, Ordinance No. 2006-10 duly adopted by the Village Council (the "Council") of the Village on November 14, 2006 (the "Ordinance"), and Resolution No. 2006-_____ adopted on December 5, 2006 (the "Resolution," and collectively with the Ordinance, the "Bond Ordinance"), and is subject to the terms of said Bond Ordinance. This Bond is issued for the purpose of financing a portion of the costs of road improvements within the Village (Crandon Boulevard Improvements--Phase III), financing architectural, engineering, environmental, legal and other planning costs related thereto, and paying costs of issuance of the Bonds. This Bond shall be payable only from the sources identified herein.

Subject to adjustment as provided below, this Bond shall bear interest on the outstanding principal balance from its date of issuance payable quarterly on the first day of each March, June, September and December (the "Interest Payment Dates"), commencing March 1, 2007, at an interest rate equal to 4.05% per annum.

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

Adjustment of Interest Rate For Full Taxability. In the event a Determination of Taxability shall have occurred during the Initial Interest Rate Period, the rate of interest on the Bonds shall be increased to a rate per annum equal to 6.12% (the "Taxable Rate"), effective retroactively to the date on which the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof. In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village on the next succeeding Interest Payment Date following the Determination of Taxability. A "Determination of Taxability" shall mean (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which notice or notification is not contested with the Internal Revenue Service by either the Village or any Owners of the Bonds, or (ii) a determination by a court of competent jurisdiction that the interest payable on the Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal, or (iii) the admission in writing by the Village to the effect that interest on Bonds is includable for federal income tax purposes in the gross income of the Owners thereof, or (iv) receipt by the Village of an opinion of bond counsel to the Village to the effect that interest on the Bonds is includable for federal income tax purpose in the gross income of the Owners thereof.

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

(a) A equals the Taxable Rate (expressed as a percentage);

(b) B equals the interest rate on the Bonds (expressed as a percentage); and

(c) C equals the portion of the Bonds the interest on which has become taxable as the result of such tax change (expressed as a decimal).

In addition, the Owners of the Bonds or any former Owners of the Bonds, as appropriate, shall be paid an amount equal to any additions to tax, interest and penalties, and any arrears in interest that are required to be paid to the United States by the Owners or former Owners of the Bonds as a result of such Determination of Taxability. All such additional interest, additions to tax, penalties and interest shall be paid by the Village on the next succeeding Interest Payment Date following the Determination of Taxability.

Adjustment of Interest Rate for Change in Maximum Corporate Tax Rate. In the event that the maximum effective federal corporate tax rate (the "Maximum Corporate Tax Rate") during any period with respect to which interest shall be accruing on the Bonds on a tax-exempt basis, shall be other than thirty-five percent (35%), the interest rate on the Bonds that are bearing interest on a tax-exempt basis shall be adjusted to the product obtained by multiplying the interest rate then in effect on the Bonds by a fraction equal to (1-A divided by 1-B), where A equals the Maximum Corporate Tax Rate in effect as of the date of adjustment and B equals the Maximum Corporate Tax Rate in effect immediately prior to the date of adjustment.

Adjustment of Interest Rate for Other Changes Affecting After-Tax Yield. So long as any portion of the principal amount of the Bonds or interest thereon remains unpaid (a) if any law, rule, regulation or executive order is enacted or promulgated by any public body or governmental agency which changes the basis of taxation of interest on the Bonds or causes a reduction in yield on the Bonds (other than by reason of a change described above) to the Owners or any former Owners of the Bonds, including without limitation the imposition of any excise tax or surcharge thereon, or (b) if, as a result of action by any pubic body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, the Owners or any former Owners of the Bonds (other than by reason of a change described above or by reason of any action or failure to act on the part of any Owner or any former Owner of the Bonds) by reason of the ownership of the Bonds, the Village shall reimburse any such Owner within five (5) days after receipt by the Village of written demand for such payment, and the Village agrees to indemnify each such Owner against any loss, cost, charge or expense with respect to any such change. The determination of the after-tax yield calculation shall be verified by a firm of certified public accountants regularly employed by the Bank (or the current Owner of the Bonds) and acceptable to the Village, and such calculation, in the absence of manifest error, shall be binding on the Village and the Owners.

The principal of this Bond shall be subject to mandatory prepayment in quarterly installments on each Interest Payment Date, commencing March 1, 2007 (each a "Scheduled Due Date"). The schedule of principal and interest payments due on each Scheduled Due Date shall be as set forth in the Schedule attached hereto.

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

The principal of and interest on this Bond are payable in lawful money of the United States of America by wire transfer or by certified check delivered on or prior to the date due to the registered Owner or his legal representative at the address of the Owner as it appears on the registration books of the Village.

Upon two (2) Business Days prior written notice to the Owner, the Village may prepay amounts owing under this Bond at any time and from time to time. Such prepayment notice shall specify the amount of the prepayment which is to be applied. In the event of prepayment while SunTrust Bank (the "Bank") is the Owner of the Bonds, the Village may be required to pay the Bank an additional fee (a prepayment charge) determined in the manner provided below, to compensate the Bank for all losses, costs and expenses incurred in connection with such prepayment. The fee shall be equal to the present value of the difference between (1) the amount that would have been realized by the Bank on the prepaid amount for the remaining term of the Bonds at 4.05% and (2) the amount that would be realized by the Bank by reinvesting such prepaid funds for the remaining term of the Bonds at the Federal Reserve H.15 Statistical Release rate for fixed-rate payers in interest rate swaps, interpolated to the nearest month, that was in effect two Business Days prior to the Bonds prepayment date; both discounted at the same interest utilized in determining the applicable amount in (2). Should the present value have no value or a negative value, the Village may repay with no additional fee. Should the Federal Reserve no longer release rates for fixed-rate payers in interest rate swaps, the Bank may substitute the Federal Reserve H.15 Statistical Release with another similar index. The Bank shall provide the Village with a written statement explaining the calculation of the premium due, which statement shall, in absence of manifest error, be conclusive and binding.

Partial prepayments may be made, subject to a prepayment charge based upon the same calculation methodology described above. Any partial prepayment shall be applied to installments of principal in the inverse order of maturity and shall not postpone the due dates of, or relieve the amounts of, any scheduled installment payments due hereunder. Any amounts prepaid hereunder may not be re-borrowed. For purposes of the preceding paragraph, the term Business Day shall mean any day other than a Saturday, Sunday or legal holiday or other day on which the Bank is authorized or required to close.

In the Resolution, the City has pledged, assigned and granted a security interest to the Owners in the Toll Revenues to secure the principal of and interest on the Bonds.

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE OR A PLEDGE OF THE FAITH AND CREDIT OF THE VILLAGE, BUT SHALL BE PAYABLE EXCLUSIVELY FROM THE TOLL REVENUES OF THE VILLAGE AS PROVIDED IN THE RESOLUTION. THE ISSUANCE OF THIS BOND SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE VILLAGE TO LEVY OR TO PLEDGE ANY FORM OF AD VALOREM TAXATION WHATEVER THEREFOR NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE VILLAGE, AND THE HOLDER OF THIS BOND SHALL HAVE NO RECOURSE TO THE POWER OF AD VALOREM TAXATION.

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 Village shall keep books for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. Bonds may be transferred or exchanged upon the registration books kept by the Village, upon delivery to the Village, together with written instructions as to the details of the transfer or exchange, of such Bonds in form satisfactory to the Village and with guaranty of signatures satisfactory to the Village, along with the social security number or federal employer identification number of any transferee and, if the transferee is a trust, the name and social security or federal tax identification numbers of the settlor and beneficiaries of the trust, the date of the trust and the name of the trustee. The Bonds may be exchanged for Bonds of the same principal amount and maturity and denominations in integral multiples of $250,000 (except that an odd lot is

permitted to complete the outstanding principal balance). No transfer or exchange of any Bond shall be effective until entered on the registration books maintained by the Village.

2. The Village may deem and treat the person in whose name any Bond shall be registered upon the books of the Village 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 they become due, and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Village shall execute 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 Village may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. The Village shall not be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment date on such Bonds.

4. All Bonds, the principal and interest of which has been paid, either at or prior to maturity, shall be delivered to the Village when such payment is made, and shall thereupon be cancelled. In case part, but not all of an outstanding Bond shall be prepaid, such Bond shall not be surrendered in exchange for a new Bond.

It is hereby certified and recited that all acts, conditions and things required to happen, to exist and to be performed precedent to and for the issuance of this Bond have happened, do exist and have been performed in due time, form and manner as required by the Constitution and the laws of the State of Florida applicable thereto.

IN WITNESS WHEREOF, the Village of Key Biscayne, Florida has caused this Bond to be executed by the manual or facsimile signature of its Mayor and of its Village Clerk, and the Seal of the Village of Key Biscayne, Florida or a facsimile thereof to be affixed hereto or imprinted or reproduced hereon, all as of the ___ day of December, 2006.

VILLAGE OF KEY BISCAYNE, FLORIDA

____
Mayor

____
Village Clerk

(SEAL)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned ______________________________ (the "Transferor"), hereby sells, assigns and transfers unto ______________________________ (Please insert name and Social Security or Federal Employer identification number of assignee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ___________________________ (the "Transferee") as attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date _____________________

____
Social Security Number of Assignee

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or a trust company

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT - ________________________, (Cust.) Custodian for ______________________________, (Minor)
TEN ENT -	as tenants by the entirety	under Uniform Gifts to Minors Act of ______________________________. (State)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used though not in the list above.

Payment Schedule

Amortization Table (Village of Key Biscayne)

Florida Road Improvement Revenue Bonds, Series 2006

LOAN DATA

Loan amount:	**$4,000,000.00**
Annual interest rate:	4.05%
Term in years:	15
Payments per year:	4
First payment due:	3/1/2007

PERIODIC PAYMENT

Quarterly Calculated payment:	**$89,281.29**

CALCULATIONS

Beginning balance at payment 1:	4,000,000.00
*Cumulative interest prior to payment 1:	

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	3/1/2007	4,000,000.00	40,500.00	48,781.29	3,951,218.71	40,500.00
2	6/1/2007	3,951,218.71	40,006.09	49,275.20	3,901,943.51	80,506.09
3	9/1/2007	3,901,943.51	39,507.18	49,774.11	3,852,169.41	120,013.27
4	12/1/2007	3,852,169.41	39,003.22	50,278.07	3,801,891.33	159,016.48
5	3/1/2008	3,801,891.33	38,494.15	50,787.14	3,751,104.20	197,510.63
6	6/1/2008	3,751,104.20	37,979.93	51,301.36	3,699,802.84	235,490.56
7	9/1/2008	3,699,802.84	37,460.50	51,820.78	3,647,982.05	272,951.07
8	12/1/2008	3,647,982.05	36,935.82	52,345.47	3,595,636.59	309,886.88
9	3/1/2009	3,595,636.59	36,405.82	52,875.47	3,542,761.12	346,292.70
10	6/1/2009	3,542,761.12	35,870.46	53,410.83	3,489,350.29	382,163.16
11	9/1/2009	3,489,350.29	35,329.67	53,951.62	3,435,398.67	417,492.83
12	12/1/2009	3,435,398.67	34,783.41	54,497.88	3,380,900.80	452,276.24
13	3/1/2010	3,380,900.80	34,231.62	55,049.67	3,325,851.13	486,507.87
14	6/1/2010	3,325,851.13	33,674.24	55,607.04	3,270,244.08	520,182.11
15	9/1/2010	3,270,244.08	33,111.22	56,170.07	3,214,074.02	553,293.33
16	12/1/2010	3,214,074.02	32,542.50	56,738.79	3,157,335.23	585,835.83
17	3/1/2011	3,157,335.23	31,968.02	57,313.27	3,100,021.96	617,803.85
18	6/1/2011	3,100,021.96	31,387.72	57,893.56	3,042,128.40	649,191.57
19	9/1/2011	3,042,128.40	30,801.55	58,479.74	2,983,648.66	679,993.12
20	12/1/2011	2,983,648.66	30,209.44	59,071.84	2,924,576.82	710,202.56
21	3/1/2012	2,924,576.82	29,611.34	59,669.95	2,864,906.87	739,813.90
22	6/1/2012	2,864,906.87	29,007.18	60,274.11	2,804,632.76	768,821.09
23	9/1/2012	2,804,632.76	28,396.91	60,884.38	2,743,748.38	797,217.99

24	12/1/2012	2,743,748.38	27,780.45	61,500.83	2,682,247.55	824,998.44
25	3/1/2013	2,682,247.55	27,157.76	62,123.53	2,620,124.02	852,156.20
26	6/1/2013	2,620,124.02	26,528.76	62,752.53	2,557,371.48	878,684.96
27	9/1/2013	2,557,371.48	25,893.39	63,387.90	2,493,983.58	904,578.34
28	12/1/2013	2,493,983.58	25,251.58	64,029.70	2,429,953.88	929,829.93
29	3/1/2014	2,429,953.88	24,603.28	64,678.00	2,365,275.88	954,433.21
30	6/1/2014	2,365,275.88	23,948.42	65,332.87	2,299,943.01	978,381.63
31	9/1/2014	2,299,943.01	23,286.92	65,994.36	2,233,948.64	1,001,668.55
32	12/1/2014	2,233,948.64	22,618.73	66,662.56	2,167,286.09	1,024,287.28
33	3/1/2015	2,167,286.09	21,943.77	67,337.52	2,099,948.57	1,046,231.05
34	6/1/2015	2,099,948.57	21,261.98	68,019.31	2,031,929.26	1,067,493.03
35	9/1/2015	2,031,929.26	20,573.28	68,708.00	1,963,221.26	1,088,066.32
36	12/1/2015	1,963,221.26	19,877.62	69,403.67	1,893,817.59	1,107,943.93
37	3/1/2016	1,893,817.59	19,174.90	70,106.38	1,823,711.20	1,127,118.83
38	6/1/2016	1,823,711.20	18,465.08	70,816.21	1,752,894.99	1,145,583.91
39	9/1/2016	1,752,894.99	17,748.06	71,533.23	1,681,361.76	1,163,331.97
40	12/1/2016	1,681,361.76	17,023.79	72,257.50	1,609,104.26	1,180,355.76
41	3/1/2017	1,609,104.26	16,292.18	72,989.11	1,536,115.16	1,196,647.94
42	6/1/2017	1,536,115.16	15,553.17	73,728.12	1,462,387.04	1,212,201.11
43	9/1/2017	1,462,387.04	14,806.67	74,474.62	1,387,912.42	1,227,007.77
44	12/1/2017	1,387,912.42	14,052.61	75,228.67	1,312,683.74	1,241,060.39
45	3/1/2018	1,312,683.74	13,290.92	75,990.36	1,236,693.38	1,254,351.31
46	6/1/2018	1,236,693.38	12,521.52	76,759.77	1,159,933.61	1,266,872.83
47	9/1/2018	1,159,933.61	11,744.33	77,536.96	1,082,396.65	1,278,617.16
48	12/1/2018	1,082,396.65	10,959.27	78,322.02	1,004,074.63	1,289,576.43
49	3/1/2019	1,004,074.63	10,166.26	79,115.03	924,959.60	1,299,742.68
50	6/1/2019	924,959.60	9,365.22	79,916.07	845,043.53	1,309,107.90
51	9/1/2019	845,043.53	8,556.07	80,725.22	764,318.31	1,317,663.96
52	12/1/2019	764,318.31	7,738.72	81,542.56	682,775.74	1,325,402.69
53	3/1/2020	682,775.74	6,913.10	82,368.18	600,407.56	1,332,315.79
54	6/1/2020	600,407.56	6,079.13	83,202.16	517,205.40	1,338,394.92
55	9/1/2020	517,205.40	5,236.70	84,044.58	433,160.82	1,343,631.62
56	12/1/2020	433,160.82	4,385.75	84,895.53	348,265.28	1,348,017.37
57	3/1/2021	348,265.28	3,526.19	85,755.10	262,510.18	1,351,543.56

* Figure for "Cummulative Interest prior to Payment 1" is an estimate as the actual amount will vary be based on closing date

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