

CERTIFICATE OF SECRETARY/TREASURER

1. I am the duly appointed, qualified and acting Secretary/Treasurer of the Harbour Waterway Special District, Duval County, Florida, and keeper of the records thereof, including the minutes of its proceedings;

2. A meeting was duly convened on December 11, 2012 in conformity with all applicable requirements; a proper quorum was present throughout said meeting and the instrument hereinafter mentioned was duly proposed, considered and adopted in conformity with applicable requirements; and all other requirements and proceedings incident to the proper adoption of said instrument have been duly fulfilled, carried out and otherwise observed;

3. I am duly authorized to execute this Certificate; and

4. The copy of Resolution No. 2012-08 is annexed hereto, entitled:

A RESOLUTION OF THE HARBOUR WATERWAY SPECIAL DISTRICT, DUVAL COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF ITS TAXABLE SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2012 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$350,000 AND ITS TAXABLE SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2013 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$326,000, IN ORDER TO FINANCE THE DREDGING OF CANALS, AS MORE FULLY DESCRIBED HEREIN; AUTHORIZING THE PRIVATE NEGOTIATED SALE OF THE NOTES TO BRANCH BANKING AND TRUST COMPANY PURSUANT TO THE TERMS AND CONDITIONS OF A LOAN AGREEMENT WITH THE FLORIDA MUNICIPAL LOAN COUNCIL AND BRANCH BANKING AND TRUST COMPANY; APPROVING THE EXECUTION AND DELIVERY OF SAID LOAN AGREEMENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTES; AND PROVIDING AN EFFECTIVE DATE.

is a true, correct and compared copy of the original instrument referred to in said minutes and as finally adopted at said meeting, is in full force and effect and, to the extent required by law, has been duly signed or approved by the proper officer or officers and is on file and of record.

DATED this 12th day of December, 2012.

HARBOUR WATERWAY SPECIAL DISTRICT,
DUVAL COUNTY, FLORIDA

By:


Secretary/Treasurer

RESOLUTION NO. 2012-08

A RESOLUTION OF THE HARBOUR WATERWAY SPECIAL DISTRICT, DUVAL COUNTY, FLORIDA, AUTHORIZING THE ISSUANCE OF ITS TAXABLE SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2012 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$350,000 AND ITS TAXABLE SPECIAL ASSESSMENT REVENUE NOTE, SERIES 2013 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$326,000, IN ORDER TO FINANCE THE DREDGING OF CANALS, AS MORE FULLY DESCRIBED HEREIN; AUTHORIZING THE PRIVATE NEGOTIATED SALE OF THE NOTES TO BRANCH BANKING AND TRUST COMPANY PURSUANT TO THE TERMS AND CONDITIONS OF A LOAN AGREEMENT WITH THE FLORIDA MUNICIPAL LOAN COUNCIL AND BRANCH BANKING AND TRUST COMPANY; APPROVING THE EXECUTION AND DELIVERY OF SAID LOAN AGREEMENT; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE NOTES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, participating governmental units have created the Florida Municipal Loan Council (the "Council") pursuant to a certain Interlocal Agreement and pursuant to Chapter 163, Part I, Florida Statutes, for the purpose of issuing its notes to make loans to participating governmental units for qualified projects; and

WHEREAS, pursuant to Section 125.325, Florida Statutes, the Council may lend proceeds of obligations it issues to any public agency as defined in Section 163.01(3)(b), Florida Statutes, for the purposes of financing capital projects if such public agencies are otherwise authorized to incur debt; and

WHEREAS, the Harbour Waterway Special District, Duval County, Florida (the "District") is a dependent special district duly created and existing pursuant to Ordinance 2010-725 E (the "Ordinance") of the City of Jacksonville, Florida (the "City") and the Constitution and laws of the State of Florida; and

WHEREAS, the District was created for the purpose of maintaining the system of canals located in the Harbour neighborhood, the Harbour North neighborhood, the Harbour Cay neighborhood and the Harbour Island neighborhood (collectively, the "Canals"); and

WHEREAS, the District is authorized by the Ordinance to levy and collect special assessments, sometimes referred to as non-ad valorem assessments, levied upon real property within the District pursuant to Resolution Nos. 2012-04 and 2012-06 (the "Assessments"), and to borrow money, issue bonds, notes or other obligations secured by the Assessments to finance all or some portion of the costs of maintaining the Canals; and

WHEREAS, the District finds, determines and declares that it is necessary for the continued preservation of the health, welfare convenience and safety of the District and its inhabitants and in the public interest to provide for the financing of dredging the Canals and the channel that provides the Canals with access to the St. Johns River (the "Project") through the issuance of its not to exceed \$350,000 Taxable Special Assessment Revenue Note, Series 2012 (the "Series 2012 Note") and its not to exceed \$326,000 Taxable Special Assessment Revenue Note, Series 2013 (the "Series 2013 Note" and, together with the Series 2012 Note, the "Notes"), each secured by the Loan Agreement by and among the District, the Council and Branch Banking and Trust Company (the "Loan Agreement") in substantially the form attached hereto as Exhibit A; and

WHEREAS, debt service on the Notes will be secured by the Assessments, and the Assessments shall be sufficient to pay all principal of and interest and prepayment premium, if any, on the Notes, as the same becomes due, and to make all deposits or payments required by this Resolution and the Loan Agreement; and

WHEREAS, the Assessments are not currently pledged or encumbered in any manner; and

WHEREAS, the District has no ad valorem taxing power and, therefore, shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Notes or to make any other payments to be made under this Resolution or the Loan Agreement. The Notes shall not constitute a lien on any property owned or situated within the limits of the District other than the Assessments; and

WHEREAS, the District has received an offer from Branch Banking and Trust Company (the "Bank") to purchase the Notes, a copy of which is attached hereto as Exhibit D (the "Commitment").

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE DISTRICT, as follows:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the Florida Constitution; Section 125.325, Florida Statutes; Chapter 163, Part I, Florida Statutes; Chapter 189, Florida Statutes; the Ordinance; and other applicable provisions of law.

SECTION 2. AUTHORIZATION OF THE NOTES. (a) Subject and pursuant to the provisions of this Resolution, an obligation of the District to be known as "Harbour Waterway Special District, Duval County, Florida, Taxable Special Assessment Revenue Note, Series 2012" is hereby authorized to be issued under and secured by this Resolution and the Loan Agreement related thereto in the principal amount of not to exceed \$350,000, for the purposes of financing a portion of the costs of the Project and paying the transaction costs associated with the Series 2012 Note.

(b) Subject and pursuant to the provisions of this Resolution, an obligation of the District to be known as "Harbour Waterway Special District, Duval County, Florida, Taxable Special Assessment Revenue Note, Series 2013" is hereby authorized to be issued under and secured by this Resolution and the Loan Agreement related thereto in the principal amount of not to exceed \$326,000, for the purposes of financing a portion of the costs of the Project and paying the transaction costs associated with the Series 2013 Note. Notwithstanding anything herein to the contrary, in no event shall the Series 2013 Note be issued prior to the City's approval of the District's Amended Budget for Fiscal Year July 1, 2012 to June 30, 2013, in the manner provided in Section 5 of the Ordinance.

SECTION 3. AUTHORIZATION OF THE PROJECT. The financing of the Project in the manner herein provided is hereby authorized.

SECTION 4. NEGOTIATED SALE. Due to the characteristics of the Notes, prevailing market conditions, the critical importance of the timing of the sale of the Notes, the ability of the District to access direct purchase through the Council with the Bank and for the District to receive the benefits of lower interest rates and issuance costs, it is hereby determined that it is in the best interest of the District to accept the offer of the Bank to purchase the Notes at a private negotiated sale. Prior to the issuance of the Notes, the Issuer shall receive from the Bank a Purchaser's Certificate, the form of which is attached hereto as Exhibit B and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, a form of which is attached hereto as Exhibit C.

SECTION 5. AMOUNT OF THE NOTES. The principal amount of the Series 2012 Note shall not exceed \$350,000 and the principal amount of the Series 2013 Note shall not exceed \$326,000. The Notes shall be made as a taxable borrowing, which shall include costs of issuance incurred by the District, the Council, the Council's administrative fees and other ongoing costs, and shall bear interest and shall be repayable according to the terms and conditions set forth in the respective Loan Agreement with such changes, insertions and omissions as may be approved by the Chairman or Vice-Chairman of the Board of Supervisors of the District (the "Board"). The redemption provisions, if any, relating to the Notes shall be as provided in the Loan Agreement.

SECTION 6. TERMS OF THE NOTES. (a) The Secretary/Treasurer of the Board is hereby authorized to award the sale of the Series 2012 Note to the Bank on his determination that the Commitment for the purchase of the Series 2012 Note is within the following parameters: (i) the final maturity of the Series 2012 Note shall not be later than May 1, 2018, (ii) the interest rate of the Series 2012 Note shall not exceed 2.80%, and (iii) the principal amount of the Series 2012 Note shall not be in excess of \$350,000.

(b) The Secretary/Treasurer of the Board is hereby authorized to award the sale of the Series 2013 Note to the Bank on his determination that the Commitment for the purchase of the

Series 2013 Note is within the following parameters: (i) the final maturity of the Series 2013 Note shall not be later than May 1, 2018, (ii) the interest rate of the Series 2013 Note shall be set three days prior to issuance of the Series 2013 Note and will be determined by the following formula: 80% of the five year LIBOR swap rate plus 218 basis points, and (iii) the principal amount of the Series 2013 Note shall not be in excess of \$326,000.

SECTION 7. APPROVAL OF THE LOAN AGREEMENT AND NOTES. The Chairman or Vice-Chairman, as attested by the Secretary/Treasurer, or any other appropriate officers of the District are hereby authorized and directed to execute and deliver the Loan Agreement relating to the Notes, to be entered into by and among the District, the Bank and the Council in substantially the form attached hereto as Exhibit A, and execute and deliver the Notes in substantially the form attached to the Loan Agreement, with such changes, insertions and omissions as may be approved by the Chairman or Vice-Chairman, the execution thereof being conclusive evidence of such approval.

SECTION 8. OTHER INSTRUMENTS. The Chairman, Vice-Chairman, Secretary/Treasurer and other District officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution and the Loan Agreement or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Notes, this Resolution and the Loan Agreement and they are hereby authorized to execute and deliver all documents which shall be required by Note Counsel, the Council or the Bank to effectuate the sale of the Notes. All action taken to date by the officers, attorneys and any other agents and employees of the District in furtherance of the issuance of the Notes is hereby approved, confirmed and ratified.

SECTION 9. ADDITIONAL INFORMATION. (a) The Notes and the Loan Agreement shall not be executed and delivered unless and until the District has received all information required by Section 218.385, Florida Statutes.

(b) The Series 2013 Note shall not be executed and delivered unless and until the District has received the City's approval of its Amended Budget for Fiscal Year July 1, 2012 to June 30, 2013, in the manner provided in Section 5 of the Ordinance.

SECTION 10. PAYMENT OF PRINCIPAL AND INTEREST; LIMITED OBLIGATION. The District promises that it will promptly pay the principal of and interest on the Notes at the place, on the dates and in the manner provided therein according to the true intent and meaning hereof and thereof. The Notes shall not be or constitute a general obligation or indebtedness of the District as a "bond" within the meaning of Article VII, Section 12 of the Florida Constitution, but shall be payable solely from the Assessments in accordance with the terms of this Resolution and the Loan Agreement. No holder of the Notes issued hereunder shall ever have the right to compel the exercise of any ad valorem taxing power or taxation of any real or personal property thereon or the use or application of ad valorem tax revenues to

pay the Notes, or be entitled to payment of the Notes from any funds of the District except from the Assessments.

SECTION 11. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

Adopted this 11th day of December, 2012.

BOARD OF SUPERVISORS FOR THE
HARBOUR WATERWAY SPECIAL
DISTRICT

By: 
CHAIRMAN

ATTEST:

By: 
SECRETARY OF THE BOARD

EXHIBIT A

FORM OF LOAN AGREEMENT

EXHIBIT B

FORM OF PURCHASER'S CERTIFICATE

This is to certify that Branch Banking and Trust Company (the "Purchaser") has not required the Florida Municipal Loan Council (the "Council") or the Harbour Waterway Special District, Duval County, Florida (the "Issuer") to deliver any offering document and has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the Council and the Issuer in connection with the issuance of the \$_____ Harbour Waterway Special District, Duval County, Florida Taxable Special Assessment Revenue Note, Series 20__ (the "Series 20__ Note"), and no inference should be drawn that the Purchaser, in the acceptance of said Series 20__ Note, is relying on Bryant Miller Olive P.A. ("Note Counsel"), Kraig A. Conn, Esquire ("Council's Counsel") or Lewis, Longman & Walker, P.A. ("Issuer's Counsel") as to any such matters other than the legal opinions rendered by Note Counsel, Issuer's Counsel or Council's Counsel. Any capitalized undefined terms used herein not otherwise defined shall have the meaning set forth in the Loan Agreement, dated as of _____ 1, 20__, by and among the Council, the Issuer and the Purchaser (the "Loan Agreement").

We are aware that investment in the Series 20__ Note involves various risks, that the Series 20__ Note is not a general obligation of the Council or the Issuer and that the payment of the Series 20__ Note is secured solely from the sources described in the Loan Agreement (the "Note Security").

We have made such independent investigation of the Note Security as we, in the exercise of sound business judgment, consider to be appropriate under the circumstances. In making our investment decision, we have relied upon the accuracy of information which has been provided to us by the Council and the Issuer.

We understand that both the Council and its program administrator are each "municipal entities" under Section 15B(e)(8) of the Securities Exchange Act of 1934 (15 U.S.C.A.) and are not a municipal advisor to the Issuer and are not acting as such in providing services in facilitating the issuance of the Series 20__ Note. We also understand that neither the Council nor its program administrator are acting as a broker or dealer with respect to the Series 20__ Note nor is the loan being distributed as securities or otherwise marketed by the Council.

We have knowledge and experience in financial and business matters and are capable of evaluating the merits and risks of our investment in the Series 20__ Note and can bear the economic risk of our investment in the Series 20__ Note.

We acknowledge and understand that the Loan Agreement is not being qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and is not being registered in reliance upon the exemption from registration under Section 3(a)(2) of the Securities Act of

1933, Section 517.051(1), Florida Statutes, and/or Section 517.061(7), Florida Statutes, and that neither the Council, Note Counsel, the Issuer's Counsel nor the Council's Counsel shall have any obligation to effect any such registration or qualification.

We are not acting as a broker or other intermediary and understand that the Council is not acting in that capacity, and we are purchasing the Series 20__ Note as an investment for our own account and not with a present view to a resale or other distribution to the public. We understand that the Series 20__ Note may not be transferred without the filing of an investor letter from the new purchaser.

We are a bank as contemplated by Section 517.061(7), Florida Statutes. We are not purchasing the Series 20__ Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

DATED this ____ day of _____, 20__.

BRANCH BANKING AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF DISCLOSURE LETTER

The undersigned, as purchaser, has negotiated with the Harbour Waterway Special District, Duval County, Florida (the "Issuer") for the private purchase of its Taxable Special Assessment Revenue Note, Series 20__ (the "Series 20__ Note") in the principal amount of \$_____ through a program provided by the Florida Municipal Loan Council (the "Council"). Prior to the award of the Series 20__ Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to us (the "Purchaser") in connection with the issuance of the Series 20__ Note (such fees and expenses to be paid by the Issuer):

Branch Banking and Trust Company
Purchaser's Counsel Fees - \$_____
Purchaser's Credit Review Fee - \$_____

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Purchaser in connection with the issuance of the Series 20__ Note to any person not regularly employed or retained by the Purchaser (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Purchaser, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Purchaser, or to the knowledge of the Purchaser, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Purchaser or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Series 20__ Note.

3. The amount of the underwriting spread expected to be realized by the Purchaser is \$0.

4. The management fee to be charged by the Purchaser is \$0.

5. Truth-in-Bonding Statement:

The Series 20__ Note is being issued primarily to finance a portion of the costs of dredging the canals and the channel that provides the canals with access to the St. Johns River .

Unless earlier redeemed, the Series 20__ Note is expected to be repaid by _____ 1, 20__; at a fixed interest rate of _____%, total interest paid over the life of the Series 20__ Note is

estimated to be \$_____.

The Series 20__ Note will be payable solely from the Assessments, as such term is defined in Loan Agreement, dated as of _____ 1, 20__, by and among the Issuer, the Council and the Purchaser. Issuance of the Series 20__ Note is estimated to result in an annual average of approximately \$_____ of Assessments of the Issuer not being available to finance other projects of the Issuer during the life of the Series 20__ Note.

7. The name and address of the Purchaser is as follows:

Branch Banking and Trust Company
5130 Parkway Plaza Blvd., Building No. 9
Charlotte, North Carolina 28217
Attention: Governmental Finance

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Letter on behalf of the Purchaser this _____ day of _____, 20__.

BRANCH BANKING AND TRUST
COMPANY

By: _____
Name: _____
Title: _____

EXHIBIT D
THE COMMITMENT