

RESOLUTION NO. 19-4.16

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MARTIN COUNTY, FLORIDA SUPPLEMENTING A RESOLUTION ADOPTED ON THE DATE HEREOF; PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$45,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE COUNTY'S HALF-CENT SALES TAX REVENUE BONDS, SERIES 2019 FOR THE PURPOSE OF FINANCING, REFINANCING AND/OR REIMBURSING THE COSTS OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, EXPANSION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS WITHIN THE COUNTY; APPROVING THE FORM OF THE BOND PURCHASE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT, AND CONTINUING DISCLOSURE CERTIFICATE; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, FINAL OFFICIAL STATEMENT AND CONTINUING DISCLOSURE CERTIFICATE; DELEGATING TO THE COUNTY ADMINISTRATOR AUTHORITY TO AWARD THE SALE OF THE BONDS TO THE UNDERWRITERS NAMED HEREIN PURSUANT TO A NEGOTIATED SALE AND SUBJECT TO THE CONDITIONS AND TERMS SET FORTH HEREIN AND IN THE BOND PURCHASE AGREEMENT; APPOINTING A PAYING AGENT AND REGISTRAR; AUTHORIZING CERTAIN OFFICIALS OF THE COUNTY TO EXECUTE ANY DOCUMENT OR TO TAKE ANY ACTIONS REQUIRED TO OFFER THE BONDS AT NEGOTIATED SALE AND IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE

IT IS HEREBY ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF MARTIN COUNTY, FLORIDA:

SECTION 1. Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Act and a resolution adopted by the Board on the date hereof (the "Master Resolution") authorizing the issuance of the Series 2019 Bonds for the purposes of financing, refinancing and/or reimbursing the Costs of the Initial Project (as supplemented hereby, collectively, the Resolution).

SECTION 2. Definitions. All capitalized undefined terms shall have the meanings ascribed thereto in the Master Resolution. Words importing singular number shall include

plural number in each case and vice versa, and words importing persons shall include firms and corporations.

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

A. RBC Capital Markets, LLC, on behalf of itself and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and any successor firm or assignee (collectively, the "Underwriters") has indicated that it is willing to enter into the hereinafter defined Bond Purchase Agreement with the Issuer pursuant to which the Underwriters will agree to purchase the Series 2019 Bonds.

B. Due to the present volatility of the market for public obligations like the Series 2019 Bonds, the need to access such market very quickly, the willingness of the Underwriters to purchase the Series 2019 Bonds at interest rates favorable to the Issuer, and the critical importance of timing of the sale of the Series 2019 Bonds, the Issuer has determined to sell the Series 2019 Bonds through a negotiated sale to the Underwriters, and it is hereby determined that it is in the best interest of the public and the Issuer to delegate to the County Administrator the authority to fix the final details of the Series 2019 Bonds, based upon the advice of the Financial Advisor, and accept the offer of the Underwriters to purchase the Series 2019 Bonds at a negotiated sale pursuant to the terms of a Bond Purchase Agreement, the form of which is attached hereto as Exhibit A (the "Bond Purchase Agreement"), if certain conditions set forth in this resolution are satisfied.

C. Prior to acceptance by the Issuer of the offer of the Underwriters to purchase the Series 2019 Bonds, the Underwriters will provide the Issuer with all applicable disclosure information required by Section 218.385, Florida Statutes, to be attached to, or otherwise included as part of, the Bond Purchase Agreement.

D. The Issuer has determined it to be in its best interests and to serve a county purpose to provide in this resolution for the issuance of the Series 2019 Bonds for the purposes heretofore described, and this resolution shall constitute a Supplemental Resolution for purposes of the Master Resolution.

E. In connection with the offering and sale of the Series 2019 Bonds, the Issuer desires to approve the distribution of the Preliminary Official Statement, a form of which is attached hereto as Exhibit B, and delegate to the County Administrator the authority to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute and deliver a final Official Statement with respect to the Series 2019 Bonds (the "Official Statement").

F. The Issuer desires to appoint a registrar and paying agent with respect to the Series 2019 Bonds and authorize the execution and delivery of a Registrar and Paying Agent Agreement (the "Registrar and Paying Agent Agreement").

G. In connection with its continuing disclosure obligations under the Rule, the Issuer desires to approve the form, and authorize the execution and delivery, of a Continuing Disclosure Certificate, a form of which is attached hereto as Exhibit C (the "Continuing Disclosure Certificate").

H. With respect to the Series 2019 Bonds, the Issuer desires to use the book-entry system of registration with The Depository Trust Company ("DTC").

I. The Issuer desires not to secure the Series 2019 Bonds by the Reserve Account or any subaccount created therein.

SECTION 4. Approval of Issuance of Series 2019 Bonds; Terms of Series 2019 Bonds. The Issuer hereby delegates to the County Administrator the authority to determine the final terms of the Series 2019 Bonds, based upon the advice of the Financial Advisor, including (i) the dated date, (ii) the principal amount and whether the Series 2019 Bonds shall be issued as Serial Bonds and/or Term Bonds, (iii) the maturity dates and amounts, (iv) the interest rates, prices and yields, and Interest Dates, (v) the optional redemption features, if any, (vi) the Amortization Installments and other mandatory redemption features, if any, (vii) the sale date and the delivery date, and (viii) all other details of the Series 2019 Bonds, and to take such further action as shall be required for carrying out the purposes of this resolution all with respect to the Series 2019 Bonds. All covenants contained in the Master Resolution with respect to the Bonds shall be applicable to the Series 2019 Bonds.

Interest on the Series 2019 Bonds shall be calculated based upon a 360-day year consisting of 12-30 day months.

SECTION 5. Award of Sale of the Series 2019 Bonds; Execution of Bond Purchase Agreement. Due to the indication by the Underwriters of its willingness to purchase the Series 2019 Bonds by negotiated sale at interest rates favorable to the Issuer, the present volatility of the market for public obligations such as the Series 2019 Bonds and the critical importance of timing of the sale of the Series 2019 Bonds, the Issuer hereby approves the negotiated sale of the Series 2019 Bonds to the Underwriters and delegates to the County Administrator the authority to accept the offer of the Underwriters to purchase the Series 2019 Bonds and to execute and deliver, on behalf of the Issuer, the Bond Purchase Agreement, in the form attached hereto as Exhibit A, which form is hereby approved; provided, however, that the County Administrator shall not have the authority to execute and deliver the Bond Purchase Agreement, unless the County Administrator shall have received from the Underwriters (i) all applicable disclosure information required by Section 218.385, Florida Statutes, and (ii) such other information as the County Administrator shall deem necessary, upon the advice of the Financial Advisor, which demonstrates to the County Administrator that (A) the aggregate principal amount of the Series 2019 Bonds (taking into account any net premium) is not in excess of \$45,000,000, (B) the final maturity of the Series 2019 Bonds is not later than July 1, 2039, (C) the underwriting discount is

not greater than 0.4% of the original principal amount of the Series 2019 Bonds, and (D) the true interest cost rate on the Series 2019 Bonds is not greater than 3.90%.

All actions of the County Administrator taken pursuant to the authority contained in Sections 4 and 5 of this resolution shall be evidenced by the execution and delivery of the Bond Purchase Agreement, which shall be filed with the Clerk. The execution and delivery of the Bond Purchase Agreement shall constitute complete evidence of the actions of the County Administrator and shall constitute the action of the Issuer. Subject to satisfaction of the conditions in this Section 5, the County Administrator is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of such Bond Purchase Agreement by the Issuer, including any changes to the form attached hereto as Exhibit A, and shall be deemed to be part of this instrument as fully and to the same extent as if incorporated verbatim herein.

SECTION 6. Authorization of Series 2019 Bonds. Subject and pursuant to the provisions of Section 5 hereof, obligations of the Issuer to be known as "Half-Cent Sales Tax Revenue Bonds, Series 2019" are authorized to be issued.

SECTION 7. Book Entry System. The Issuer has previously executed a blanket letter of representation dated June 4, 1998 (the "Letter of Representation") with The Depository Trust Company ("DTC"). It is intended that the Series 2019 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Letter of Representation. The Series 2019 Bonds shall be initially issued in the form of a single fully registered Series 2019 Bond for each maturity. Upon initial issuance, the ownership of such Series 2019 Bonds shall be registered by the Registrar and Paying Agent in the name of Cede & Co., as nominee for DTC. With respect to Series 2019 Bonds registered by the Registrar and Paying Agent in the name of Cede & Co., as nominee of DTC, the Issuer and the Registrar and Paying Agent shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2019 Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any Person on behalf of whom such a Depository Participant holds an interest in the Series 2019 Bonds (each such Person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer and the Registrar and Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Series 2019 Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a registered owner of a Series 2019 Bond as shown in the bond register, of any notice with respect to the Series 2019 Bonds, including any notice of redemption, if applicable, or (c) the payment to any Depository Participant or Indirect Participant or any other Person, other than a registered owner of a Series 2019 Bond as shown in the bond register, of any amount with respect to principal of, premium, if any, or interest on, if applicable, the Series 2019 Bonds. No Person other than a registered owner of a Series 2019 Bond as shown in the

bond register shall receive a Series 2019 Bond certificate with respect to any Series 2019 Bond. Upon delivery by DTC to the Registrar and Paying Agent 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 hereof with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2019 Bonds appearing as registered owners in the registration books maintained by the Registrar and Paying Agent at the close of business on a regular record date, the name "Cede & Co." in this resolution shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representation, (b) the agreement among the Issuer, the Registrar and Paying Agent and DTC evidenced by the Letter of Representation shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Series 2019 Bonds that they be able to obtain certificated Series 2019 Bonds, the Issuer shall notify DTC of the availability through DTC of Series 2019 Bond certificates and the Series 2019 Bonds shall no longer be restricted to being registered in the bond register in the name of Cede & Co., as nominee of DTC, but only in accordance with the Letter of Representation. At that time, the Issuer may determine that the Series 2019 Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Series 2019 Bonds may be registered in whatever name or names registered owners of Series 2019 Bonds transferring or changing Series 2019 Bonds designate, in accordance with the provisions hereof. Notwithstanding any other provision of the Resolution to the contrary, so long as any Series 2019 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on, if applicable, such Series 2019 Bond and all notices with respect to such Series 2019 Bond shall be made and given, respectively, in the manner provided in the Letter of Representation.

As long as any Series 2019 Bonds are Outstanding in book-entry form, the provisions of the Resolution inconsistent with such system of book-entry registration shall not be applicable to such Series 2019 Bonds, and the Issuer covenants to cause adequate records to be kept with respect to the ownership of any Series 2019 Bonds issued in book-entry form or the beneficial ownership of Series 2019 Bonds issued in the name of a nominee.

SECTION 8. Application of Series 2019 Bond Proceeds. The proceeds, including any accrued interest received from the sale of the Series 2019 Bonds, shall be applied by the Issuer as follows:

1. Accrued interest, if any, shall be deposited in the Interest Account in the Debt Service Fund, and shall be used only for the purpose of paying interest becoming due on the Series 2019 Bonds.

2. To the extent not reimbursed therefor by the Underwriters of the Series 2019 Bonds, the Issuer shall pay all costs and expenses in connection with the preparation, issuance and sale of the Series 2019 Bonds.
3. The balance of said proceeds shall be deposited in the "Series 2019 Construction Account" in the Construction Fund, which is hereby created, to be used to pay all or a portion of the Costs of the Initial Project.

SECTION 9. No Reserve Funding. The Issuer hereby creates the 2019 Reserve Subaccount in the Reserve Account to secure the Series 2019 Bonds and any Additional Bonds issued in the future and designated to be secured thereby. The Reserve Account Requirement applicable to the 2019 Reserve Subaccount shall equal \$0.

SECTION 10. Approval of Distribution of Preliminary Official Statement and Authorization of Final Official Statement. The preparation and distribution of the Preliminary Official Statement relating to the Series 2019 Bonds, in the form attached hereto as Exhibit B, is hereby approved and authorized. The County Administrator is hereby authorized to execute and deliver a certificate of the Issuer which deems such Preliminary Official Statement "final" within the contemplation of the Rule. Such Preliminary Official Statement is hereby authorized to be used and distributed in connection with the sale and marketing of the Series 2019 Bonds. The distribution of the final Official Statement relating to the Series 2019 Bonds is hereby authorized, and the execution of such Official Statement by the County Administrator is hereby authorized, which execution and delivery shall constitute complete evidence of the approval of such final Official Statement by the Issuer.

SECTION 11. Appointment of Registrar and Paying Agent; Authorization of Execution and Delivery of Registrar and Paying Agent Agreement. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to serve as Registrar and Paying Agent with respect to the Series 2019 Bonds. The Registrar and Paying Agent shall perform such duties as are more fully described in the Master Resolution and an agreement to be entered into with the Issuer in connection with the Series 2019 Bonds.

The Registrar and Paying Agent shall fulfill such functions with respect to Registrar and Paying Agent Agreement until a qualified successor shall have been designated by the Issuer and accepts such duties, such designation to be subject to written notice to the Registrar and Paying Agent, or until the Series 2019 Bonds have been paid in full pursuant to the Resolution.

The Registrar and Paying Agent Agreement shall be executed in the name of the Issuer by the Chairman, and attested by the Clerk and the corporate seal of the Issuer or facsimile thereof shall be affixed thereto or reproduced thereon. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of the Registrar and Paying Agent Agreement by the Issuer.

SECTION 12. Continuing Disclosure; Authorization of Execution and Delivery of the Continuing Disclosure Certificate. The Issuer hereby covenants and agrees that, in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule with respect to the Series 2019 Bonds, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer prior to the time the Issuer delivers the Series 2019 Bonds to the Underwriters, as may be amended from time to time in accordance with the terms thereof.

The form of the Continuing Disclosure Certificate attached hereto as Exhibit C is hereby approved, subject to such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Chairman, in accordance with the provisions hereof, execution thereof by the Chairman to be deemed conclusive evidence of the approval of such changes. The Continuing Disclosure Certificate shall be executed in the name of the Issuer by the Chairman, and attested by the Clerk and the corporate seal of the Issuer or facsimile thereof shall be affixed thereto or reproduced thereon. The execution and delivery thereof in the manner described in the preceding sentence shall constitute complete approval of the Continuing Disclosure Certificate by the Issuer, including any changes to the form being approved.

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. However, the Continuing Disclosure Certificate shall be enforceable by the Series 2019 Bondholders in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a Series 2019 Bondholder to the Issuer that a breach exists. Any rights of the Series 2019 Bondholders to enforce the provisions of this covenant shall be on behalf of all Series 2019 Bondholders and shall be limited to a right to obtain specific performance of the Issuer's obligations thereunder.

SECTION 13. Prior Resolutions. All prior resolutions of the Issuer inconsistent with the provisions of this resolution are hereby amended and supplemented to conform with the provisions herein contained and this resolution shall remain in full force and effect.

SECTION 14. No Personal Liability. Neither the members of the Board nor any Person executing the Series 2019 Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 15. General Authority. The members of the Board and the issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this resolution 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 Series 2019 Bonds and this resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel to effectuate the sale of the Series 2019 Bonds to the Underwriters.

SECTION 16. Severability and 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, but 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 or provisions and shall in no way affect the validity of the other provisions hereof or of the Series 2019 Bonds.

SECTION 17. Resolution to Continue in Force. This resolution and all the terms and provisions thereof, are and shall remain in full force and effect.

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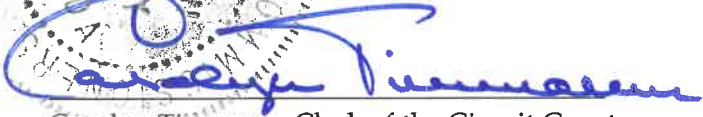
SECTION 18. Effective Date. This resolution shall take effect immediately upon its adoption and authentication as provided by law.

Passed and Adopted this 23rd day of April, 2019, at a regular meeting duly called and held.

MARTIN COUNTY, FLORIDA



Edward V. Ciampi, Chairman
Board of County Commissioners


ATTEST:


Carolyn Timmann, Clerk of the Circuit Court
and Comptroller

APPROVED AS TO FORM &
LEGAL SUFFICIENCY:



Krista A. Storey, Acting County Attorney

EXHIBIT A

Form of Bond Purchase Agreement

BOND PURCHASE AGREEMENT

Martin County, Florida

\$ _____ Half - Cent Sales Tax Revenue Bonds, Series 2019

May ___, 2019

Board of County Commissioners of
Martin County, Florida
2401 S.E. Monterey Road
Stuart, Florida 34996
Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the “*Representative*” or “*RBC CM*”) acting on its own behalf and on behalf of the other underwriter listed on Schedule I hereto (collectively, the “*Underwriters*”), offers to enter into the following agreement (this “*Agreement*”) with Martin County, Florida (the “*Issuer*”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer’s written acceptance hereof on or before 11:59 p.m., Eastern time, on May ___, 2019, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Resolution (as defined herein) or in the Official Statement (as defined herein).

1. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer’s \$ _____ Half-Cent Sales Tax Revenue Bonds, Series 2019 (the “*Bonds*”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm’s length, commercial transaction between the Issuer and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters); (iii) the Underwriters are acting solely in their capacity as underwriter for their own account; (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Representative has been duly authorized to execute this Agreement and to act hereunder.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, sinking fund and optional redemption provisions and interest rates per annum are set forth in Schedule II hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions

of Resolution No. 19-____ adopted by the Issuer on April 23, 2019, as the same may be amended and supplemented from time to time and in particular, as supplemented by Resolution No. 19-____, adopted on April 23, 2019 (collectively, the “*Bond Resolution*”).

The purchase price for the Bonds shall be \$_____ representing the principal amount of \$_____, [plus] net original issue [premium] of \$_____, less an underwriting discount of \$_____.

The Underwriters will execute the letter attached hereto as Exhibit A submitted in compliance with Section 218.385, Florida Statutes, as amended.

Delivered to the Issuer herewith as a good faith deposit is a wire transfer of \$_____ in immediately available funds to the order of the Issuer. In the event the Issuer accepts this offer, such good faith deposit shall be retained by the Issuer until the time of Closing, at which time such good faith deposit shall be credited against the purchase price for the Bonds. In the event that the Issuer does not accept this Agreement, such good faith deposit shall be immediately returned to the Representative. Should the Issuer fail to deliver the Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds, as set forth in this Agreement (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, such good faith deposit shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such good faith deposit shall be retained by the Issuer as and for fully liquidated damages for such failure of the Underwriters, and, except as set forth in Sections 9 and 11 hereof, no party shall have any further rights against the other hereunder. The Underwriters and the Issuer understand that in such event the Issuer’s actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer’s actual damages are less than such amount, and the Issuer’s acceptance of this offer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters.

2. *Public Offering.* The Underwriters agree to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the inside cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement.

3. *Establishment of Issue Price*

(a) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. As applicable, all actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s financial advisor and any notice or report to be provided to the Issuer may be provided to the Issuer’s financial advisor.

(b) Except as otherwise set forth in Schedule II attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price

of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the Issuer the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

- (c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule II attached hereto, except as otherwise set forth therein. Schedule II also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

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

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

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

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

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

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

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

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

4. *The Official Statement.*

(a) Attached hereto as Exhibit B is either a draft of the final Official Statement or a copy of the Preliminary Official Statement dated _____, 2019 (the “*Preliminary Official Statement*”),

including the cover page and Appendices thereto, of the Issuer relating to the Bonds. Such draft of the final Official Statement or copy of the Preliminary Official Statement, as amended to reflect the changes marked or otherwise indicated on Exhibit B hereto, is hereinafter called the "*Official Statement*."

(b) The Preliminary Official Statement has been prepared by the Issuer for use by the Underwriters in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "*Rule*").

(c) The Issuer represents that the governing body of the Issuer has reviewed and approved the information in the Official Statement and hereby authorizes the Official Statement to be used by the Underwriters in connection with the public offering and the sale of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriters in such quantity as the Representative shall request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. The Issuer hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities repository, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time request), and if, in the reasonable opinion of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Representative hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Representative, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

5. *Representations, Warranties, and Covenants of the Issuer.* The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a political subdivision of the State of Florida (the "State") duly created, organized and existing under the laws of the State, and has full legal right, power and authority under Article VIII Section 1 of the Constitution of the State and laws of the State, including Chapter 125, Florida Statutes, Chapter 218, Part VI, Florida Statutes, Chapter 29, Article 2, Code of Laws and Ordinances of Martin County, and other applicable provisions of law (the "Act"), and at the date of the Closing will have full legal right, power and authority under the Act and the Bond Resolution (i) to enter into, execute and deliver this Agreement and the Continuing Disclosure Certificate (the "Undertaking") as defined in Section 7(h)(3) hereof and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Undertaking and the other documents referred to in this clause are hereinafter referred to as the "Issuer Documents"), (ii) to sell, issue and deliver the Bonds to the Underwriters as provided herein, (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement, and (iv) the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the Bond Resolution and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The Bond Resolution and the Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Resolution and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Resolution and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create in the manner and to the extent set forth in the Bond Resolution;

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution,

agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Bond Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Resolution

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, the Bond Resolution and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds conform to the descriptions thereof contained in the Official Statement under the caption "DESCRIPTION OF THE SERIES 2019 BONDS"; the Bond Resolution conforms to the description thereof contained in the Official Statement under the captions "SECURITY FOR THE BONDS," and in "APPENDIX C - FORM OF THE RESOLUTION"; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the captions "THE 2019 PROJECT" and "SOURCES AND USES OF BOND PROCEEDS" and the Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE".

(g) Except as discussed in the Official Statement, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer after due inquiry, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Pledged Funds (as defined in the Bond Resolution) or the construction or operation of the Initial Project pursuant to the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or

necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Resolution and not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding the Issuer, in the Official Statement fairly present the financial position and results of the Issuer and the Pledged Revenues as of the dates and for the periods therein set forth. Prior to the Closing, except as disclosed in the Official Statement, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer or of the Pledged Revenues. The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, has litigation against the Issuer been threatened which, if decided adversely to the Issuer, would have a materially adverse affect on the financial condition of the Issuer or the Pledged Funds;

(n) Prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior written approval of the Representative;

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein;

6. *Closing.*

(a) At 12:00 p.m., Eastern time, on May ____, 2019, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative (the "*Closing*"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriters will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by a wire transfer payable in immediately available funds to the order of the Issuer. Payment for the Bonds as aforesaid shall be made at the offices of the Issuer, or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

(b) Delivery of the Bonds shall be made to The Depository Trust Company, New York, New York (the "*Depository*"). The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity registered in the name of Cede & Co., all as provided in the Bond Resolution, and shall be made available to the Representative at least one business day before the Closing for purposes of inspection.

7. *Closing Conditions.* The Underwriters have entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents, the Bond Resolution and the Bonds shall be in full force and effect in the form heretofore approved by the Representative and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been reasonably agreed to by the Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and other counsel to deliver their respective opinions referred to hereafter;

(d) At or prior to the Closing, the Bond Resolution shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Bond Registrar shall have duly authenticated the Bonds;

(e) At the time of the Closing, there shall not have occurred any change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Representative;

(h) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by the Chairman of its Board of County Commissioners, or such other official as may have been agreed to by the Representative;

(2) The Bond Resolution with such supplements or amendments as may have been agreed to by the Representative;

(3) The Undertaking of the Issuer which satisfies the requirements of section (b)(5)(i) of the Rule;

(4) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(5) A supplemental opinion of Bond Counsel addressed to the Underwriters, substantially to the effect that:

(i) the Bonds are exempt from registration under the Securities Act of 1933, as amended (the "*1933 Act*"), and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*"); and

(ii) we have reviewed the statements contained in the Official Statement under the sections "THE 2019 PROJECT," "DESCRIPTION OF THE SERIES 2019 BONDS" (other than the information therein as to The Depository Trust Company and its book-entry only system of registration), "SECURITY FOR THE BONDS," and believe that insofar as such statements purport to summarize certain provisions of the Bond Resolution and the Bonds, such statements are accurate summaries of the provisions purported to be summarized. We have also

reviewed the information contained in the Official Statement under the section captioned "TAX MATTERS" and believe that such information is accurate.

(6) An opinion, dated the date of the Closing and addressed to the Issuer and the Underwriters, of Disclosure Counsel for the Issuer, to the effect that: based solely upon their participation in the preparation of the Official Statement and in reliance up on the accuracy of the information contained in the certificates, letters and opinions, but without having undertaken any independent investigation or verification of such information, nothing has come to the attention of the attorneys in their firm rendering legal services in this representation which leads them to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that they express no opinion regarding historical or projected financial information, demographic, statistical or operating data or information included in the Official Statement, including but not limited to appendices, schedules and exhibits thereto, or any information about The Depository Trust Company and its book entry system of registration;

(7) An opinion of the Acting County Attorney, addressed to the Issuer and the Underwriters, to the effect that:

(i) The Bond Resolution has been duly adopted and is in full force and effect. The Bond Resolution constitutes a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(ii) The Issuer is a duly created and validly existing political subdivision of the State of Florida (the "State") and had and has power under the Constitution and the laws of the State to adopt the Bond Resolution and to authorize and issue the Bonds (A) to enter into, execute and deliver the Issuer Documents and all documents required hereunder and thereunder to be executed and delivered by the Issuer, (B) to sell, issue and deliver the Bonds to the Underwriters as provided herein, and (C) to carry out and consummate the transactions contemplated by the Issuer Documents, and the Official Statement and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(iii) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (A) the adoption of the Bond Resolution and the issuance and sale of the Bonds, (B) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents, and (C) the consummation by it of all other transactions contemplated by the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(iv) The Issuer Documents have been duly authorized, executed and delivered by the Issuer, and constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights;

(v) The distribution of the Preliminary Official Statement and the Official Statement has been duly authorized by the Issuer;

(vi) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been obtained;

(vii) Except as disclosed in the Official Statement, there is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of my knowledge, after due inquiry threatened against the Issuer, affecting the corporate existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of the Pledged Funds pursuant to the Bond Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Issuer Documents, nor, to the best of my knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds, or the Issuer Documents;

(viii) The execution and delivery of the Issuer Documents and compliance by the Issuer with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Issuer a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Issuer is subject;

(8) A certificate, dated the date of Closing, of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds, the Bond Resolution or the

Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, including payments on the Bonds, pursuant to the Bond Resolution, and other income or the anticipated receipt of Pledged Funds, or the pledge thereof; (iii) the resolutions of the Issuer authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and Issuer Documents have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(9) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriters (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(10) Any other certificates and opinions required by the Bond Resolution for the issuance thereunder of the Bonds;

(11) Evidence satisfactory to the Representative that the Bonds have been assigned a rating of ____ by S&P Global Inc. ("*S&P*") and that such rating is in effect as of the date of Closing;

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

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

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Sections 5 and 9(c) hereof shall continue in full force and effect.

8. *Termination.* The Underwriters shall have the right to cancel their obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole reasonable judgment of the Representative, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or, with respect to state taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities

generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon);

(g) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise (it being agreed that no such circumstances exist on the date hereof);

(j) any fact or event shall exist or have existed that, in the Representative's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations;

(l) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; and

(m) there shall have occurred any national or international calamity or crisis in the financial markets or otherwise of the United States or elsewhere;

9. *Expenses.*

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds and the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto, (ii) the fees and

disbursements of Bond Counsel and Disclosure Counsel; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of the Paying Agent and the any engineers, accountants, and other experts, consultants or advisers retained by the Issuer; and (v) the fees for bond ratings and, if applicable, credit enhancement fees or premiums.

(b) The Issuer shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriters which are incidental to implementing this Bond Purchase Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs. The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(c) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(d) The Underwriters shall pay (i) the cost of preparation and printing of this Agreement, any Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriters.

(e) If this Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the Issuer to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Issuer shall be unable to perform its obligations under this Agreement, the Issuer will reimburse the Underwriters for all out-of-pocket expenses (including the fees and disbursements of counsel to the Underwriters) reasonably incurred by the Underwriters in connection with this Agreement or the offering contemplated hereunder.

10. *Notices.* Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at 2401 S.E. Monterey Road, Stuart, Florida 34996, Attention: County Administrator, with a copy to 100 SE Ocean Blvd., Stuart, Florida 34994, Attention: Comptroller and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing to RBC Capital Markets, 525 Okeechobee Boulevard, Suite 3800, West Palm Beach, Florida 33401, Attention: Nate Eckloff, Managing Director.

11. *Parties in Interest.* This Agreement as heretofore specified shall constitute the entire agreement between us superseding all prior agreements and understandings and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

12. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

13. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the law of the State.

14. *Severability.* If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

15. *Business Day.* For purposes of this Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

16. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17. *Counterparts.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

18. *Assignment.* The Issuer hereby acknowledges and agrees that Merrill Lynch, Pierce, Fenner & Smith Incorporated will transfer by assignment all of its rights and obligations under this Agreement to BofA Securities, Inc., a registered municipal securities dealer with the Municipal Securities Rulemaking Board.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriters. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

RBC CAPITAL MARKETS, LLC

By _____
Name: Nate Eckloff
Title: Managing Director
Date: May __, 2019

ACCEPTANCE

ACCEPTED at [] p.m. Eastern time this ____ day of May, 2019

MARTIN COUNTY, FLORIDA

By: _____
Taryn Kryzda,
County Administrator

SCHEDULE I

UNDERWRITERS

RBC Capital Markets, LLC
Merrill Lynch, Pierce, Fenner & Smith Incorporated

SCHEDULE II

MATURITY SCHEDULE

\$ _____
Martin County, Florida, Half-Cent Sales Tax Revenue Bonds, Series 2019

\$ _____ Serial Bonds

<u>Maturity Date</u> <u>(_____ 1)</u>	<u>Principal</u> <u>Amount (\$)</u> \$	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %	<u>Price</u>
--	--	-------------------------------------	-------------------	--------------

\$ _____ at _____ % Term Bonds due _____ 1, _____, Yield _____ %, Price _____

C = Priced to the first optional redemption date of _____ 1, _____.

[The Underwriters have offered the Bonds to the public on or before the date of this Purchase Contract at the initial offering prices set forth herein and has sold at least 10% of each maturity of the Bonds to the public at a price that is no higher than such initial offering prices.]

Redemption Provisions

Optional Redemption

The Bonds maturing on and after _____ 1, _____ are subject to redemption prior to their stated dates of maturity, at the option of the Issuer, in whole or in part on _____ 1, _____, or on any date thereafter, at a Redemption Price of 100% of the principal amount thereof, together with accrued interest on such principal amount to the Redemption Date.

Mandatory Sinking Fund Redemption

The Bonds maturing on _____ 1, _____ are subject to mandatory redemption prior to maturity, in part, by lot, at a redemption price equal to the unpaid principal amount of the Bonds to be redeemed, plus interest accrued thereon to the date of redemption, on October 1 in the following years and in the following amounts:

*Maturity

EXHIBIT A

NEGOTIATED DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

May __, 2019

Board of County Commissioners of
Martin County, Florida
2401 S.E. Monterey Road
Stuart, Florida 34996

Martin County, Florida

\$ _____ Half-Cent Sales Tax Revenue Bonds, Series 2019

Ladies and Gentlemen,

Pursuant to Section 218.385, Florida Statutes, and in reference to the issuance by Martin County, Florida (the "*Issuer*"), of its Half-Cent Sales Tax Revenue Bonds, Series 2019 ("*Bonds*"), RBC Capital Markets, LLC, as Representative of the Underwriters named below (the "*Underwriters*"), pursuant to the Bond Purchase Agreement (the "*Purchase Agreement*") dated May __, 2019, between the Underwriters and the Issuer, hereby makes the following disclosures to the Issuer:

1. No person or persons have any understanding regarding promised compensation or consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Underwriters or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the captioned Bonds, except as disclosed in paragraph 5 hereto.

2. The Underwriters' Total Underwriting Spread is \$ _____ of Bonds, equivalent to \$ _____ Bonds, equivalent to \$0.00.

3. The Management Fee is \$____/\$1000 of Bonds, equivalent to \$_____.

4. The Underwriters' Expenses are \$ _____/\$1,000 of Bonds, equivalent to \$ _____. An itemization of the Underwriters' Expenses is set forth on Schedule A hereto.

5. No fee, bonus or other compensation will be paid by the Underwriters in connection with the Bond issue to any person not regularly employed or retained by the Underwriters except Underwriters' Counsel, Akerman LLP as shown on Schedule A hereto and as otherwise disclosed in the Official Statement.

6. The names and address of the Underwriters are:

RBC Capital Markets, LLC
1801 California Street, Suite 3850
Denver, CO 80202

Merrill Lynch, Pierce, Fenner & Smith Incorporated
250 S. Park Avenue, Suite 400
Winter Park, FL 32789

7. The Issuer is proposing to issue \$ _____ of debt or obligation (the "*Bonds*") for the purposes of (i) acquiring, constructing, reconstructing, expanding, replacing and/or equipping certain Issuer capital improvements, and (ii) pay certain expenses related to the issuance and sale of the Bonds. This debt or obligation is expected to be repaid over a period of approximately _____ years. At a true interest cost of _____%, total interest paid over the life of the debt or obligation will be \$ _____.

8. The Bonds are special obligations of the Issuer secured by the Pledged Funds (as defined in the Bond Resolution) in the manner and to the extent described in the Bond Resolution. Authorizing the Bonds will result in an average annual debt service payment of approximately \$ _____ of the Issuer's monies not otherwise available to finance the other services of the Issuer each year for _____ years.

10. The foregoing statement is prepared pursuant to the Florida Statutes for information purposes only and shall not affect or control the actual terms and conditions of the debt or obligations.

RBC Capital Markets, LLC
as Representative of the Underwriters

By _____
Name: Nate Eckloff
Title: Managing Director

SCHEDULE A
CLOSING EXPENSES

		Total
CUSIP	\$	\$
DTC		
Ipreo		
Dayloan		
DAC		
Travel & Out-of-Pocket		
Underwriter's Counsel		
TOTAL	\$	\$

EXHIBIT B

Form of Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

NEW ISSUE – BOOK-ENTRY ONLY

See "RATING" herein

In the opinion of Bond Counsel, assuming compliance by the County with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2019 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2019 Bonds.

\$ _____ *

**MARTIN COUNTY, FLORIDA
HALF-CENT SALES TAX REVENUE BONDS, SERIES 2019**

Dated: Date of Delivery

Due: _____ 1, as shown on inside cover page

The \$ _____ * Half-Cent Sales Tax Revenue Bonds, Series 2019 (the "Series 2019 Bonds") of Martin County, Florida (the "County"), will be issued only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof, and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be available to purchasers only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants (as defined herein). Purchasers will not receive delivery of the Series 2019 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2019 Bond, the purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Series 2019 Bond. The principal of and interest on the Series 2019 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, as Paying Agent and Registrar, directly to DTC as the registered owner thereof. See "DESCRIPTION OF THE SERIES 2019 BONDS - Book-Entry Only System" herein. Interest on the Series 2019 Bonds will be payable on July 1, 2020 and semiannually thereafter on January 1 and July 1 of each year.

The Series 2019 Bonds are subject to redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SERIES 2019 BONDS -- Redemption" herein.

The Series 2019 Bonds are being issued under the authority of, and in full compliance with Article VIII, Section 1 of the Constitution of the State of Florida, Chapter 218, Part VI, Florida Statutes, Chapter 125, Florida Statutes, Chapter 29, Article 2, Code of Laws and Ordinances of the County, and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 19-____ of the County's Board of County Commissioners (the "Board"), adopted on [April 23], 2019, as amended and supplemented from time to time, and in particular, as supplemented by Resolution No. 19-____ adopted on [April 23], 2019 (collectively, the "Resolution"). The Series 2019 Bonds are being issued to finance the (i) acquisition, construction, reconstruction, expansion, replacement and/or equipping of certain capital projects within the County as more particularly described herein, and (ii) payment of certain expenses related to the issuance and sale of the Series 2019 Bonds.

The payment of principal of and interest on the Series 2019 Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon Pledged Funds. "Pledged Funds" means the Pledged Revenues and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established under the Resolution, other than the

Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series. "Pledged Revenues" means the Half-Cent Sales Tax Revenues, and shall not include any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bond or any other interest subsidy or similar payments made by the Federal Government until deposited into the Interest Account. "Half-Cent Sales Tax Revenues" means proceeds of the Local Government Half-Cent Sales Tax and other moneys received by the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes.

THE SERIES 2019 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY SERIES 2019 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2019 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2019 BOND FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION

The Series 2019 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed on for the County by Krista A. Storey, Esq., Acting County Attorney, and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. Masterson Advisors LLC, Orlando, Florida, is acting as Financial Advisor to the County. The Underwriters are being represented by Akerman LLP, Orlando, Florida. It is expected that settlement for the Series 2019 Bonds will occur through the facilities of DTC in New York, New York, on or about _____, 2019.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire official statement to obtain information essential to making an informed investment decision.

RBC Capital Markets

BofA Merrill Lynch

Dated: _____, 2019

*Preliminary, subject to change.

\$ _____ *

MARTIN COUNTY, FLORIDA
HALF-CENT SALES TAX REVENUE BONDS
SERIES 2019

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

\$ _____ * Serial Bonds

Maturity (____ 1)*	Principal Amount*	Interest Rate	Price	Yield	Initial CUSIP No.*
-----------------------	----------------------	------------------	-------	-------	-----------------------

\$ _____ % Term Bonds due on _____ 1, _____ -- Price _____ Yield _____ % -- Initial CUSIP No. _____ **

* Preliminary, subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Service, managed on behalf of the American Bankers Association by S&P Global Marketing Intelligence. CUSIP numbers have been assigned by an independent company not affiliated with the County or the Underwriters and are included solely for the convenience of the holders of the Series 2019 Bonds. Neither the County nor the Underwriters are responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Series 2019 Bonds or as indicated above. The CUSIP numbers are subject to being changed after execution and delivery of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2019 Bonds.

MARTIN COUNTY, FLORIDA

2401 S.E. Monterey Road
Stuart, Florida 34996

THE BOARD OF COUNTY COMMISSIONERS⁽¹⁾

Edward V. Ciampi, Chairman
Harold Jenkins, Vice Chairman
Sarah Heard, Commissioner
Stacey Hetherington, Commissioner
Doug Smith, Commissioner

COUNTY ADMINISTRATOR

Taryn Kryzda

ACTING COUNTY ATTORNEY

Krista A. Storey, Esq.

CLERK OF THE CIRCUIT COURT AND COMPTROLLER

Carolyn Timmann

DEPUTY CHIEF OF OPERATIONS

Thomas J. O'Reilly

BOND AND DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

FINANCIAL ADVISOR

Masterson Advisors LLC
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the County or the Underwriters to give any information or to make any representation with respect to the Series 2019 Bonds other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor will there be any sale of the Series 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County, and other sources which are believed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct. The information and expressions of opinion stated herein are subject to change without notice. The delivery of this Official Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereon.

Upon issuance the Series 2019 Bonds will not be registered under the Securities Act of 1933, will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the County, will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2019 Bonds for sale.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they will be furnished on request.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH AND AS PART OF THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THE TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR THE COMPLETENESS OF SUCH INFORMATION.

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

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OFFICIAL STATEMENT

relating to

\$ _____ *

MARTIN COUNTY, FLORIDA HALF-CENT SALES TAX REVENUE BONDS, SERIES 2019

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information with respect to the issuance by Martin County, Florida (the "County"), of its \$ _____ * Half-Cent Sales Tax Revenue Bonds, Series 2019 (the "Series 2019 Bonds"). The Series 2019 Bonds are being issued under the authority of, and in full compliance with Article VIII, Section 1 of the Constitution of the State of Florida, Chapter 218, Part VI, Florida Statutes, Chapter 125, Florida Statutes, Chapter 29, Article 2, Code of Laws and Ordinances of the County, and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 19-____ of the County's Board of County Commissioners (the "Board"), adopted on [April 23], 2019, as amended and supplemented from time to time, and in particular, as supplemented by Resolution No. 19-____ adopted on [April 23], 2019 (collectively, the "Resolution"). The Series 2019 Bonds and any additional obligations of the County issued on a parity therewith pursuant to the Resolution (the "Additional Bonds") are hereinafter referred to collectively as the "Bonds."

The payment of principal of and interest on the Series 2019 Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon Pledged Funds. "Pledged Funds" means the Pledged Revenues and until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established hereunder, other than the Unrestricted Revenue Account; provided, however, that proceeds deposited in the Construction Fund in connection with the issuance of a particular Series of Bonds shall only secure such Series. "Pledged Revenues" means the Half-Cent Sales Tax Revenues, and shall not include any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bond or any other interest subsidy or similar payments made by the Federal Government until deposited into the Interest Account. "Half-Cent Sales Tax Revenues" means proceeds of the Local Government Half-Cent Sales Tax and other moneys received by the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Capitalized terms used herein will have the same meanings as given to them in the Resolution unless otherwise defined herein or where the context would clearly indicate otherwise. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Series 2019 Bonds, the security for the payment of the Series 2019 Bonds, and the rights and remedies of Bondholders thereof. Copies of this Official Statement may be obtained from the Clerk of the Circuit Court and Comptroller, Financial

*Preliminary, subject to change.

Services, 100 SE Ocean Blvd., Stuart, Florida 34994, (772) 288-5538, upon payment of reproduction costs and postage and handling expenses.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing, other than the Series 2019 Bonds and the Resolution, is to be construed as a contract between the Bondholders of the Series 2019 Bonds and the County.

PURPOSE OF THE SERIES 2019 BONDS

The Series 2019 Bonds are being issued to finance the (i) acquisition, construction, reconstruction, expansion, replacement and/or equipping of certain capital projects within the County as more particularly described herein (see "THE 2019 PROJECT"), and (ii) payment of certain expenses related to the issuance and sale of the Series 2019 Bonds.

THE 2019 PROJECT

The "2019 Project" is defined to mean, the acquisition, construction, reconstruction, expansion, replacement and/or equipping of fire stations, public safety training facilities, a public works facility, a parks operation facility, a general service facility, a golf course, a canine facility, electric generators, jail facilities improvements, a sheriff warehouse, and other miscellaneous capital projects, including potential land acquisition related thereto.

[Remainder of page intentionally left blank]

SOURCES AND USES OF BOND PROCEEDS

The proceeds expected to be received from the sale of the Series 2019 Bonds, together with other legally available funds of the County, are expected to be used as follows:

	<u>Total</u>
SOURCES OF FUNDS	
Par Amounts	\$
Plus/Less Net Original Issue Premium/Discount	
TOTAL SOURCES	\$
USES OF FUNDS	
Deposit to 2019 Project Account	\$
Costs of Issuance ⁽¹⁾	
TOTAL USES	\$

⁽¹⁾ Includes financial advisor, bond counsel and disclosure counsel fees and expenses, Underwriters' discount (including their counsel fees and expenses), rating agency fees, bond registrar and paying agent fees, printing costs and other costs associated with the issuance of the Series 2019 Bonds.

DEBT SERVICE SCHEDULE

The following table sets forth the estimated debt service payments on the Series 2019 Bonds.

Year Ending	Series 2019 Bonds	Series 2019 Bonds	Total
<u> 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>

Total

DESCRIPTION OF THE SERIES 2019 BONDS

General

The Series 2019 Bonds will be dated the date of their delivery, will be issued in fully registered form, without coupons, in the denominations of \$5,000 each or integral multiples thereof, and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest on the Series 2019 Bonds will accrue from the date of delivery thereof and will be payable on July 1, 2020, and semiannually thereafter on January 1 and July 1 in each year. The Series 2019 Bonds will be issued in book-entry only format, as described in the following section.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC") AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY BELIEVES TO BE RELIABLE. THE COUNTY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE BONDHOLDER OF THE SERIES 2019 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2019 BONDHOLDERS OF THE SERIES 2019 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2019 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2019 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2019 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2019 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2019 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2019 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE COUNTY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond certificate will be issued for each maturity of the Series 2019 Bonds as set forth in the inside cover of this Official Statement in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and

pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has an S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019 Bondholder ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2019 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2019 Bond certificates will be printed and delivered to DTC.

Transfer

So long as the Series 2019 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of Series 2019 Bonds do not apply to the Series 2019 Bonds.

Series 2019 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2019 Bonds, of the same maturity of any other authorized denominations and type (e.g., Serial Bonds will be changed for Serial Bonds and Capital Appreciation Bonds will be exchanged for Capital Appreciation Bonds).

The Series 2019 Bonds issued under the Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the

State of Florida, subject to the provisions for registration and transfer contained in the Resolution and in the Series 2019 Bonds. So long as any of the Series 2019 Bonds shall remain Outstanding, the County shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Series 2019 Bonds.

Each Series 2019 Bond shall be transferable only upon the books of the County, at the office of the Registrar, under such reasonable regulations as the County may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or his duly authorized attorney. Upon the transfer of any such Series 2019 Bond, the County shall issue, and cause to be authenticated, in the name of the transferee a new Series 2019 Bond or Series 2019 Bonds of the same aggregate principal amount and maturity as the surrendered Series 2019 Bond. The County, the Registrar and any Paying Agent or fiduciary of the County may deem and treat the Person in whose name any Outstanding Series 2019 Bond shall be registered upon the books of the County as the absolute owner of such Series 2019 Bond, whether such Series 2019 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Series 2019 Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2019 Bond to the extent of the sum or sums so paid and neither the County nor the Registrar nor any Paying Agent or other fiduciary of the County shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to the Series 2019 Bonds, forthwith (A) following the fifteenth day prior to an Interest Date for such Series 2019 Bonds; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Series 2019 Bonds; and (C) at any other time as reasonably requested by the Paying Agent of such Series 2019 Bonds, shall certify and furnish to such Paying Agent the names, addresses and holdings of Series 2019 Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any Series 2019 Bond shall affect payment of interest on such Series 2019 Bonds by mailing a check to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Series 2019 Bonds or transferring Series 2019 Bonds is exercised, the County shall execute, and the Registrar shall authenticate such Series 2019 Bonds in accordance with the provisions of the Resolution. Execution of Series 2019 Bonds by the Chairman and Clerk for purposes of exchanging, replacing or transferring Series 2019 Bonds may occur at the time of the original delivery of the Series 2019 Bonds are a part. All Series 2019 Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the County to be cancelled by the Registrar. For every such exchange or transfer of Series 2019 Bonds, the County or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The County and the Registrar shall not be obligated to make any such exchange or transfer of Series 2019 Bonds during the fifteen (15) days next preceding an Interest Date on the Series 2019 Bonds, or, in the case of any proposed redemption of Series 2019 Bonds, during the fifteen (15) days next preceding the date of the first mailing of notice of such redemption and, in the case of the Series 2019 Bonds called for redemption, continuing until such redemption date.

Redemption

Series 2019 Bonds

Optional Redemption. The Series 2019 Bonds maturing on and after _____ 1, _____ are subject to redemption prior to their stated dates of maturity, at the option of the County, in whole or in part on _____ 1, _____, or on any date thereafter, at a Redemption Price of 100% of the principal amount thereof, together with accrued interest on such principal amount to the date of redemption.

Mandatory Redemption. The Series 2019 Bonds maturing on _____ 1, _____ are subject to mandatory redemption prior to maturity, in part, by lot, at a Redemption Price equal to the principal amount of the Series 2019 Bonds to be redeemed, plus interest accrued thereon to the date of redemption, on _____ 1 in the following years and in the following amounts:

	Amortization
<u>Year</u>	<u>Installment</u>
	\$
*	

*Maturity

Notice of Redemption

Unless waived by any Holder of Series 2019 Bonds to be redeemed, notice of any redemption made pursuant to the Resolution shall be given by the Registrar on behalf of the County by mailing a copy of an official redemption notice by registered or certified mail at least thirty days and not more than sixty days prior to the date fixed for redemption to each Holder of Series 2019 Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to the Resolution to any Holder of Series 2019 Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Series 2019 Bonds to be redeemed.

Notwithstanding the foregoing or any other provision of the Resolution, notice of optional redemption pursuant to the Resolution may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the County if expressly set forth in such notice.

Redemption of Portions of Series 2019 Bonds

Any Series 2019 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the County shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 2019 Bond, without service charge, a new Series 2019 Bond or Series 2019 Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2019 Bonds so surrendered.

SECURITY FOR THE BONDS

General

The payment of the principal of or Redemption Price, if applicable, and interest on the Series 2019 Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon the Pledged Funds. Pursuant to the Resolution, the County irrevocably pledged the Pledged Funds to the payment of the principal of or Redemption Price, if applicable, and interest on the Series 2019 Bonds.

THE SERIES 2019 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY SERIES 2019 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2019 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2019 BOND FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

Funds and Accounts

The County covenanted and agreed to establish with a bank or trust company in the State of Florida, which is eligible under the laws of such State to receive funds of the County, separate funds to be known as the "Revenue Fund" and the "Debt Service Fund". The County shall maintain in the Revenue Fund two accounts: the "Restricted Revenue Account" and the "Unrestricted Revenue Account." The County shall maintain in the Debt Service Fund four accounts: the "Interest Account," the "Principal Account," the "Bond Amortization Account," and the "Reserve Account" (however, there is no funding of the Reserve Account in connection with the issuance of the Series 2019 Bonds). Moneys in the aforementioned funds and accounts, other than the Unrestricted Revenue Account, until applied in accordance with the provisions of the Resolution, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

The County shall at any time and from time to time appoint one or more qualified depositories to hold, for the benefit of the Series 2019 Bondholders, any one or more of the funds and accounts established in the Resolution. Such depository or depositories shall perform at the direction of the County the duties of the County in depositing, transferring and disbursing moneys to and from each of such funds and accounts as set forth in the Resolution, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the County and its agents and employees.

Series 2019 Construction Fund

The County covenanted and agreed in the Resolution to establish a separate fund in a bank or trust company in the State, which is eligible under the laws of such State to receive funds of the County, to be known as the Construction Fund. Moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project, in the manner provided in the Resolution, shall be held in trust by the County and shall be subject to a lien and charge in favor of the Holders of the Series 2019 Bonds and for

the further security of such Holders. The Series 2019 Construction Fund shall be used only for payment of the Costs of the 2019 Project.

No Reserve Funding for the Series 2019 Bonds

Pursuant to the Resolution, the County created the 2019 Reserve Subaccount in the Reserve Account to secure the Series 2019 Bonds and any Additional Bonds issued in the future and designated to be secured thereby. The Reserve Account Requirement applicable to the 2019 Reserve Subaccount is equal \$0.

Flow of Funds

(A) Beginning on the date the Series 2019 Bonds are issued, the County shall deposit the Pledged Revenues (only to the extent a sufficient amount is not already on deposit from other legally available revenue sources of the County in amounts sufficient to satisfy all payment obligations under the Resolution), and any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government, into the Restricted Revenue Account promptly upon receipt thereof. The moneys in the Restricted Revenue Account shall be deposited or credited on or before the 21st day of each month, commencing with the month in which delivery of the Series 2019 Bonds shall be made to the purchaser or purchasers thereof, or such later date as provided in the Resolution, in the following manner and in the following order of priority:

1. Interest Account. The County shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall equal the interest on all Outstanding Bonds accrued and unpaid and to accrue to the end of the then current calendar month. Moneys in the Interest Account shall be used to pay interest on the Series 2019 Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose. The County shall adjust the amount of the deposit into the Interest Account not later than the month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Series 2019 Bonds coming due on such Interest Date. Any direct subsidy payments received from the United States Treasury relating to Direct Subsidy Bonds or any other interest subsidy or similar payments made by the Federal government shall be used to pay interest on Bonds issued as Direct Subsidy Bonds.

2. Principal Account. Next, the County shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the principal amounts on all Outstanding Bonds due and unpaid and that portion of the principal next due within one year which would have accrued on said Series 2019 Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months of thirty days each) in equal amounts from the next preceding principal payment due date, or, if there is no such preceding principal payment due date, from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be used to pay the principal of the Series 2019 Bonds as and when the same shall mature, and for no other purpose. The County shall adjust the amount of deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Series 2019 Bonds becoming due on such principal payment date.

3. Bond Amortization Account. Commencing in the month which is one year prior to any Amortization Installment due date, the County shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, shall equal the Amortization Installments on all Bonds Outstanding due and unpaid and that portion of the Amortization Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Amortization Installments were deemed to accrue monthly (assuming that a year consists of twelve equivalent calendar months having thirty days each) in equal amounts from the next preceding Amortization Installment due date, or, if there is no such preceding Amortization Installment due date, from a date one year preceding the due date of such Amortization Installment. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner provided in the Resolution, and for no other purpose. The County shall adjust the amount of the deposit into the Bond Amortization Account not later than the 21st day of the month immediately preceding any date for payment of an Amortization Installment so as to provide sufficient moneys in the Bond Amortization Account to pay the Amortization Installments on the Bonds coming due on such date. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

Amounts accumulated in the Bond Amortization Account with respect to any Amortization Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Amortization Installment was established) may be applied by the County, on or prior to the sixtieth day preceding the due date of such Amortization Installment (a) to the purchase of Term Bonds of the Series and maturity for which such Amortization Installment was established, at a price not greater than the Redemption Price at which such Term Bonds may be redeemed on the first date thereafter on which such Term Bonds shall be subject to redemption, or (b) to the redemption at the applicable Redemption Price of such Term Bonds, if then redeemable by their terms. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Amortization Account until such Amortization Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the sixtieth day preceding the due date of any such Amortization Installment, the County shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Resolution, Term Bonds of the Series and maturity for which such Amortization Installment was established (except in the case of Term Bonds maturing on an Amortization Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Amortization Installment. The County shall pay out of the Bond Amortization Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the County from the Revenue Fund.

4. Reserve Account. Next, the County shall deposit into or credit to the Reserve Account and/or any subaccount thereafter created a sum sufficient to maintain therein an amount equal to the applicable Reserve Account Requirement. Moneys in the Reserve Account (or any subaccount therein) shall be used only for the purpose of the payment of maturing principal, interest or Amortization Installments on the Bonds which are secured thereby when the other

moneys in the Debt Service Fund are insufficient therefor, and for no other purpose. However, whenever the moneys on deposit in the Reserve Account (or any subaccount therein) exceed the applicable Reserve Account Requirement, such excess shall be withdrawn and deposited into the Interest Account.

Upon the issuance of any Additional Bonds under the terms, limitations and conditions as therein provided, the County may, on the date of delivery of such Additional Bonds, create and establish a separate subaccount in the Reserve Account to secure such Series of Bonds, and may also establish an applicable Reserve Account Requirement. Such required sum may be paid in full or in part from the proceeds of such Additional Bonds.

Notwithstanding the foregoing provisions, in lieu of the required cash deposits into the Reserve Account (or any subaccounts therein), the County may, at any time, cause to be deposited into the Reserve Account (or any subaccounts therein) a surety bond, irrevocable letter of credit, guaranty or an insurance policy for the benefit of the applicable Bondholders in an amount equal to the difference between the applicable Reserve Account Requirement and the sums then on deposit in the Reserve Account and/or subaccount therein. Such surety bond, irrevocable letter of credit, guaranty or insurance policy shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to the Resolution and available for such purpose. Repayment of draws made from a surety bond, irrevocable letter of credit, guaranty or an insurance policy provided pursuant to this paragraph, shall be made in accordance with a Supplemental Resolution.

Whenever the amount in the Reserve Account or any subaccount therein, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all applicable Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account (or any subaccounts therein) may be transferred to the other accounts of the Debt Service Fund for the payment of such Bonds.

5. Unrestricted Revenue Account. The balance of any moneys after the deposits required by the Resolution may be transferred, at the discretion of the County, to the Unrestricted Revenue Account or to any other appropriate fund or account of the County and be used for any lawful purpose.

(B) The County, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the County's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(C) At least one business day prior to the date established for payment of any principal or Redemption Price, if applicable, or interest on the Bonds, the County shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

Investments

The Construction Fund, the Restricted Revenue Account and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State and the investment policy of the County. Moneys on deposit in the Construction Fund, the Restricted Revenue Account and the Debt Service Fund may be invested and reinvested in Permitted Investments maturing no later than the date on which the moneys therein will be needed. Any and all income received by the County from the investment of moneys in each account of the Construction Fund, the Interest Account, the Principal Account, the Bond Amortization Account, the Reserve Account or any subaccounts therein (but only to the extent that the amount therein is less than the applicable Reserve Account Requirement) and the Restricted Revenue Account shall be retained in such respective Fund or Account unless otherwise required by applicable law. To the extent that the amount in the Reserve Account or any subaccounts therein is equal to or greater than the applicable Reserve Account Requirement, any and all income received by the County from the investment of moneys therein shall be transferred, upon receipt, and deposited into the Interest Account.

Nothing contained in the Resolution shall prevent any Permitted Investments acquired as investments of or security for funds held under the Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Subordinated Indebtedness

The County will not issue any other obligations, except under the conditions and in the manner provided in the Resolution, payable from the Pledged Funds or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien thereon in favor of the Bonds and the interest thereon. The County may at any time or from time to time issue evidences of indebtedness payable in whole or in part out of the Pledged Funds and which may be secured by a pledge of the Pledged Funds; provided, however, that such pledge shall be, and shall be expressed to be, subordinated in all respects to the pledge of the Pledged Funds created by the Resolution in favor of Bonds. The County shall have the right to covenant with the holders from time to time of any Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued pursuant to the Resolution. The County agrees to pay promptly any Subordinated Indebtedness as the same shall become due.

There is currently no Subordinated Indebtedness outstanding under the Resolution.

Additional Bonds

No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to the Resolution, shall be issued except upon the conditions and in the manner provided in the Resolution. The County may issue one or more Series of Additional Bonds for any one or more of the following purposes: financing, refinancing and/or reimbursing the Costs of an Additional Project, or the completion thereof or of the Initial Project of the County, or refinancing Subordinate Indebtedness.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) There shall have been obtained and filed with the County a statement of the Clerk (1) setting forth the amount of the Pledged Revenues which have been received by the County during the most recent Fiscal Year for which audited financial statements are available; and (2) stating that the amount of the Pledged Revenues received during the aforementioned twelve month period equaled at

least 1.50 times the Maximum Annual Debt Service of all Bonds then Outstanding including such proposed Additional Bonds with respect to which such statement is made (together with Policy Costs). "Policy Costs" means any repayment or payment obligations due and owing in connection with any surety bond on deposit in the Reserve Account. In the event the Act is amended to provide for additional Pledged Revenues to be distributed to the County, the County may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage tests specified in the Resolution, have the Clerk assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

For the purposes of the covenants contained the Resolution, Annual Debt Service with respect to Variable Rate Bonds shall be determined assuming that such obligations bear interest at the higher of 6.00% per annum or the actual interest rate borne during the month immediately preceding the date of calculation. The foregoing notwithstanding, for purposes of calculating Annual Debt Service, any Variable Rate Bonds with respect to which the County has entered into an interest rate swap or interest rate cap for a notional amount equal to the principal amount of such variable rate indebtedness shall be treated for purposes of the Resolution as bearing interest at a fixed rate equal to the fixed rate payable by the County under the interest rate swap, or the capped rate provided by the interest rate cap.

(B) Additional Bonds shall be deemed to have been issued pursuant to the Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Resolution. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bond over any other.

(C) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of the Resolution shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in the aggregate amount of Annual Debt Service on the Outstanding Bonds becoming due in the current Bond Year or in any subsequent Bond Years. The conditions of the Resolution shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

Books and Records

The County will keep books and records of the receipt of the Pledged Revenues in accordance with generally accepted accounting principles, and any Holder or Holders of Bonds shall have the right at all reasonable times to inspect the records, accounts and data of the County relating thereto.

Annual Audit

The County shall, within a reasonable amount of time after the close of each Fiscal Year, cause the financial statements of the County to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenditures and changes in fund balance, and any other statements as required by law or accounting convention. The annual financial statements shall be prepared in conformity with generally

accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to any Holder of a Bond who shall have furnished such Holder's address to the Clerk and requested in writing that the same be furnished to such Holder. The County shall be permitted to make a reasonable charge for furnishing such audited financial statements.

No Impairment

As long as there are Bonds Outstanding pursuant to the Resolution, the pledging of the Pledged Funds in the manner provided therein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the Board.

HALF-CENT SALES TAX REVENUES

General

Half-Cent Sales Tax Revenues consist of the amount of the Local Government Half-Cent Sales Tax distributed by the State of Florida (the "State") from the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Trust Fund") to the County pursuant to the provisions of Chapter 218, Part VI, Florida Statutes (the "Sales Tax Act").

The State levies and collects a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, with the enactment of Chapter 218, Part VI, Florida Statutes, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. See "—Eligibility" below. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized.

Section 212.20, Florida Statutes, provides for the distribution of sales tax revenues collected by the State and further provides for the distribution of a portion of sales tax revenues to the Trust Fund, after providing for transfers to the General Fund. From 1993 until July 1, 2003, the proportion of sales tax revenues deposited in the Trust Fund (the "Statewide Half-Cent Sales Tax Revenues") was constant at 9.653% of all state sales tax remitted to the State by a sales tax dealer located within a particular county. Effective July 1, 2003, such proportion was reduced to 9.643%, effective July 1, 2004, such proportion was further reduced to 8.814% and effective September 1, 2014, such proportion was increased to 8.8854%, which remains in effect. Such amount deposited in the Trust Fund is earmarked for distribution to the governing body of such county and each participating municipality within that county pursuant to a distribution formula. The legislative intent of the increase described above was to offset a tax rate reduction for charges for electrical power and the legislative intent of the reductions described above was to freeze for one fiscal year the total amount of Statewide Half-Cent Sales Tax Revenues distributed to the counties and municipalities throughout the State. The negative impact on municipalities from decreases to the half-cent sales tax distribution was offset by the increased distribution to the Revenue Sharing Trust Fund for municipalities. Likewise, the negative impact of the change in half-cent sales tax distribution on smaller counties with a limited tax base was offset by the increased share of state taxes

going for the emergency distribution. The net impact was to reduce the percentage of funds distributed to county governments equal to projected growth in income from the half-cent sales tax distribution. The general rate of sales tax in the State is currently 6%.

The Statewide Half-Cent Sales Tax Revenues are distributed from the Trust Fund on a monthly basis to participating units of local government in accordance with Sales Tax Act. Florida law also allows counties to impose a sales surtax of up to 1% to fund infrastructure improvements upon approval by a vote of the electors of such county. The County has not imposed a 1% infrastructure sales surtax.

As of October 1, 2001, the Trust Fund began receiving a portion of certain taxes imposed by the State on the sales of communication services (the "CST Revenues") pursuant to Chapter 202, Florida Statutes (the "CST Law"). Accordingly, moneys distributed from the Trust Fund now consist of funds derived from both general sales tax proceeds and CST Revenues required to be deposited into the Trust Fund. All moneys distributed to the County from the Trust Fund (whether derived from the general sales tax or from the portion of the CST Revenues) constitute Half-Cent Sales Tax Revenues for purposes of the Resolution and are a part of the Pledged Funds pledged to the payment of the Series 2019 Bonds. Moneys received by the County pursuant to the CST Law that are not deposited in the Trust Fund do not constitute Half-Cent Sales Tax Revenues and are not pledged to the payment of the Series 2019 Bonds pursuant to the Resolution.

Eligibility

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have:

- (i) reported its finances for its most recently completed fiscal year to the State Department of Financial Services as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of three (3) mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such three (3) mill ad valorem tax, to have received a remittance from the county pursuant to a municipal services benefit unit, collected an occupational license tax, utility tax, or ad valorem tax, or have received revenue from any combination of those four sources;
- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;
- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and

- (vii) certified to the Florida Department of Revenue ("FDOR") that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

Although the Sales Tax Act does not impose any limitation on the number of years during which a county or municipality may receive distributions of the Half-Cent Sales Tax Revenues from the Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Statewide Half-Cent Sales Tax program, or the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, may be revised. To be eligible to receive distributions from the Trust Fund in future years, the County must comply with the financial reporting and other requirements of the Sales Tax Act. Otherwise, the County would lose its Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by the FDOR. Pursuant to the Resolution, the County has covenanted to do all things on its part to maintain eligibility to participate in the distribution of funds from the Trust Fund. **[The County has always maintained eligibility to receive the Sales Tax Revenues.]**

Distribution

Statewide Half-Cent Sales Tax Revenues collected within a county and deposited in the Trust Fund are distributed among such county and the eligible municipalities therein in accordance with the following formula:

County's share (expressed as a percentage of such Half-Cent Sales Tax Revenues)	=	$\frac{\text{Unincorporated county population}}{\text{total county population}} + \frac{2/3 \text{ of the incorporated county population}}{2/3 \text{ of the incorporated county population}}$
Each municipality's share (expressed as a percentage of such Half-Cent Sales Tax Revenues)	=	$\frac{\text{municipality population}}{\text{total county population}} + \frac{2/3 \text{ of the incorporated county population}}{2/3 \text{ of the incorporated county population}}$

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Percentage Distributions of Statewide Half-Cent Sales Tax Revenues within the County

**Martin County and Municipalities⁽¹⁾
2009-2018**

Fiscal Year Ending September 30	Martin County	City of Stuart	Town of Jupiter Island	Village of Indiantown	Town of Ocean Breeze	Town of Sewall's Point
2009	87.39%	10.64%	0.43%	--%	0.26%	1.28%
2010	87.38	10.64	0.43	--	0.26	1.29
2011	87.35	10.60	0.45	--	0.26	1.34
2012	88.069	9.91	0.52	--	0.23	1.27
2013	88.09	9.92	0.52	--	0.20	1.27
2014	88.08	9.93	0.52	--	0.20	1.27
2015	88.12	9.91	0.51	--	0.19	1.26
2016	88.15	10.02	0.51	--	0.06	1.26
2017	88.19	10.01	0.50	--	0.06	1.24
2018 ⁽²⁾	84.48	9.71	0.49	4.04	0.06	1.22

⁽¹⁾ The percentages may not equal 100% because of rounding.

⁽²⁾ The Village of Indiantown began receiving its portion of the distribution in June, 2018. Prior to such date the percentage distributions were as follows: the County - 88.20%, City of Stuart - 9.98%, Town of Jupiter Island - 0.50%, Town of Ocean Breeze - 0.06%, and Town of Sewall's Point - 1.25%.

Source: Florida Department of Revenue

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Historical Collections

The following table sets forth historical data regarding the collection of overall sales tax revenues and the annual percentage increases for the State and for the County. Only the portion of the overall sales tax revenues which constitute "Half-Cent Sales Tax Revenues" for purposes of the Resolution and allocable to the County are subject to the lien of the Bondholders. See "SECURITY FOR THE BONDS - General" herein.

State of Florida and Martin County Historical Sales Tax Collections 2009-2018

State Fiscal Year Ended June 30	State of Florida	% Change	Martin County	% Change
2009	\$17,368,889,417	--%	\$13,113,056	--%
2010	16,768,646,720	(3.46)	12,656,630	(3.48)
2011	17,575,218,111	4.81	12,782,950	1.00
2012	18,487,483,203	5.19	13,261,781	3.75
2013	19,657,996,927	6.33	13,774,361	3.87
2014	21,097,421,293	7.32	14,880,738	8.03
2015	22,833,522,335	8.23	15,938,608	7.11
2016	24,089,395,926	5.50	16,854,448	5.74
2017	25,221,896,109	4.70	17,281,213	2.53
2018	26,530,495,000	5.19	18,180,917	5.21

Source: Florida Department of Revenue.

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Historical Half-Cent Sales Tax Revenue Distributions

The following table shows the historical Statewide Half-Cent Sales Tax Revenues distributions to all local governments in the State of Florida, and the Half-Cent Sales Tax Revenue distributions to the County (i.e., the Half-Cent Sales Tax Revenues).

State of Florida and Martin County 2009-2018

County Fiscal Year Ended <u>September 30</u>	Total Statewide <u>Distribution⁽¹⁾</u>	Martin County Distribution (i.e., Half Cent Sales <u>Tax Revenues⁽²⁾</u>	Martin County Distribution as a Percentage of Total <u>Distribution</u>	Percentage Change of Martin County <u>Distribution</u>
2009	\$1,443,436,346	\$11,117,762.29	0.77%	--%
2010	1,418,515,451	10,867,883.70	0.77	(2.25)
2011	1,487,757,136	11,338,638.68	0.76	4.33
2012	1,539,744,819	11,870,388.38	0.77	4.69
2013	1,727,747,858	12,423,505.22	0.72	4.66
2014	1,575,950,744	13,556,629.33	0.86	9.12
2015	1,822,667,419	14,415,279.51	0.79	6.33
2016	1,910,489,428	15,057,276.06	0.79	4.45
2017	1,981,743,091	15,492,781.09	0.78	2.89
2018	2,089,885,616	16,035,115.50	0.77	3.50

(1) Based on distributions made on taxable sales for fiscal years ending September 30.

(2) Based on actual receipts per County's audited financial records for fiscal years ending September 30. Timing variances may result due to different accounting methods.

Source: Florida Department of Revenue and Martin County, Florida Finance Department.

The amount of the Half-Cent Sales Tax Revenues received by the County for the fiscal year ended September 30, 2009 through 2012 weakened as non-essential expenditures within the County declined. The retrenchment in consumer and business spending and confidence was caused by economic conditions, including without limitation the diminishing wealth effect from real estate price depreciation, increasing unemployment and decreasing tourism nationwide, in Florida and in the County. However, economies in the United States, Florida and in the County have recovered with increased development and consumer and business spending. See "SECURITY FOR THE BONDS – Additional Bonds" herein for information regarding the parity test which is based on a historical annual collection of Half-Cent Sales Tax Revenues and requires at least 1.50 times pro-forma debt service coverage of Maximum Annual Debt Service.

PRO-FORMA DEBT SERVICE COVERAGE ON THE BONDS

Fiscal Year Ended <u>September 30</u> 2018	Maximum Annual <u>Debt Service⁽¹⁾</u> \$	Sales <u>Tax Revenues</u> \$16,035,115.50	Pro-Forma Debt Service <u>Coverage</u> x
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⁽¹⁾ Estimated debt service on the Series 2019 Bonds based on a final maturity of October 1, ____ and an estimated true interest cost rate of ____%. See "DEBT SERVICE SCHEDULE" herein for more information regarding actual debt service on the Series 2019 Bonds.

The amount of Statewide Half-Cent Sales Tax Revenues distributed to the County is subject to increase or decrease due to (i) more or less favorable economic conditions, (ii) increases or decreases in the dollar volume of taxable sales within the County, (iii) legislative changes relating to the sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Trust Fund, (iv) incorporations and/or annexations, and (v) other factors which may be beyond the control of the County or the Series 2019 Bondholders, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State of Florida and then distributed to the County.

In particular, the share of the Statewide Half-Cent Sales Tax Revenues collected within the County and deposited in the Trust Fund which is to be distributed to the County will be affected by changes in the relative populations of the unincorporated and incorporated areas within the County. Such relative populations are subject to change through normal increases and decreases in population within the existing unincorporated and incorporated areas of the County and are also subject to change by the annexation of previously unincorporated areas of the County by the municipalities within the County. Such annexations would not only increase the population of the incorporated areas but also would, in equal amount, decrease the population of the unincorporated areas. At the end of 2017, by a vote of the electors, the Town of Indiantown became an incorporated area within the County. The Town of Indiantown began receiving distributions of Half-Cent Sales Tax Revenues during the fiscal year ended September 30, 2018. See "—Percentage Distributions of Statewide Half-Cent Sales Tax Revenues within the County" above. Additionally, there have been efforts to incorporate an area within the County known as Hobe Sound. In August 2018 an election was held where the voters did not approve the incorporation of this area. While such incorporation was not approved in 2018, the County cannot predict, if brought before the voters in future, whether such incorporation will be approved at a later date. If such incorporation of Hobe Sound is approved in the future, it could impact the amount of the County's Half-Cent Sales Tax Revenue distribution. However, the County does not believe such incorporation, if approved, would have a material impact on its receipt of Half-Cent Sales Tax Revenues or its ability to pay debt service on the Series 2019 Bonds.

Recent Legislation

The Florida Legislature recently passed CS/HB 7087 during its 2018 session that went into effect on July 1, 2018. Among other things, CS/HB 7087 implemented new, extended, or expanded sales tax exemptions for: sales tax credits for contributions to the Gardiner Scholarship and Florida Tax Credit Scholarship programs; certain generators for nursing homes and assisted living facilities; certain

purchases of agriculture related fencing materials and building materials for repair of storm damage from Hurricane Irma. Additionally, CS/HB 7087 added sales tax holidays including: a ten-day "back-to-school" holiday for clothing, footwear, school supplies, and computers; and three seven-day "disaster preparedness" holiday for sales of specified items related to disaster preparedness. The County does not expect CS/HB 7087 will have an adverse impact on its ability to pay debt service on the Series 2019 Bonds.

Proposed Legislation

The proposed Senate Bill SB 594 ("SB 594"), which was filed for review during the upcoming Florida Legislature's 2019 Regular Session, requires the Attorney General to investigate whether a certain official action of the governing body of a county or municipality violated state law or the State Constitution to petition for, and the circuit court to issue, an order directing the Department of Revenue to withhold the share of revenues apportioned to the county or municipality under the Revenue Sharing Act of 1972 and from local government half cent sales tax proceeds if the county or municipality fails to timely remedy violation as directed by the order. At this time, the County cannot predict whether SB 594 will become law, and if so, whether it will be in its current form. The County does not expect such proposed legislation to adversely impact its ability to pay debt service on the Series 2019 Bonds.

On June 21, 2018, the United States Supreme Court in *South Dakota v. Wayfair, Inc. et. al* held that states can require retailers to collect sales tax on internet sales regardless if they maintain a physical presence in the state. Senate Bill 1112 ("SB 1112"), which was filed for review during the upcoming Florida Legislature's 2019 Regular Session, would require retailers who are not physically present in the State, who deliver tangible personal property into the State, to collect and remit sales tax if they make a substantial number of sales into the State. The County is unable to predict at this time whether the Florida Legislature will pass such legislation. However, if passed, the County expects such legislation would not have a negative impact on Half-Cent Sales Tax Revenues (and may, in fact, increase its receipt of Half-Cent Sales Tax Revenues) or its ability to pay debt service on the Series 2019 Bonds.

Additionally, SB 1112 provides sales tax exemptions on the sale of specified disaster preparedness supplies during a specified timeframe. At this time, the County cannot predict whether SB 1112 will become law, and if so, whether it will be in its current form. The County does not know what impact, if any, SB 1112 will have on the amount of Half-Cent Sales Tax Revenues received by the County. In any event, the County does not expect such proposed legislation to adversely impact its ability to pay debt service on the Series 2019 Bonds.

THE COUNTY

Background

The County is located on the east coast of Florida approximately 40 miles north of the City of West Palm Beach. Martin County is approximately 582 square miles in land area. The City of Stuart is the County seat with other incorporated municipalities within the County being the Towns of Ocean Breeze, Sewall's Point, Village of Indiantown and Jupiter Island. According to the Bureau of Economic and Business Research, Florida Population Studies, the County's population as of April 1, 2018 was 155,556. The principal industries in the County include tourism, agriculture, services, and light manufacturing. For additional information see "APPENDIX A - GENERAL INFORMATION PERTAINING TO MARTIN COUNTY, FLORIDA".

County Government

Martin County utilizes a County Commission/County Administrator form of government. The County is governed by a five-member Board of County Commissioners elected for four-year overlapping terms. The Commission elects its Chairman and Vice Chairman to serve for one-year terms, and appoints a County Administrator, who is responsible for the administration and operation of the County government. The Commission also appoints the County Attorney, who is the chief legal officer of the County. The County Administrator appoints other professional staff members and employees of the County.

Other elected County officials are the Tax Collector, the Property Appraiser, the Supervisor of Elections, the Clerk of the Circuit Court and Comptroller, the Sheriff, and County Court and Circuit Court Judges. Each serves a four year term and employs personnel to assist in discharging his/her respective functions.

Under the direction of the Clerk of the Circuit Court and Comptroller, the Financial Services Department maintains the accounting system for the Board, the Supervisor of Elections and the Clerk of the Circuit Court and Comptroller. The Clerk of the Circuit Court and Comptroller periodically contracts with an independent C.P.A. firm to perform specialized audits to evaluate internal accounting controls, to ensure that the County's accounting system complies with existing laws and regulations, and to make recommendations to the County Administrator and the Commission for improvement. These audits are performed to provide management with assurance that their financial resources are being properly recorded and adequately safeguarded.

County Commission and Staff

Board. The Board of County Commissioners is the elected, legislative body of the County, and, as such, the Board budgets and provides all the funding for the various County Departments and the separate Constitutional Officers, with the exception of fees collected by the respective Constitutional Officers. The current members of the Board are all full time County Commissioners. The members of the Board and the expiration of their terms of office are as follows:

<u>County Commissioners</u>	<u>District</u>	<u>Term Expires</u>
Edward V. Ciampi, Chairman	5	November, 2020
Harold Jenkins, Vice Chairman	3	November, 2020
Sarah Heard	4	November, 2022
Stacey Hetherington	2	November 2022
Doug Smith	1	November 2020

Administration. The Board is served by a staff whose chief administrative officer is the County Administrator and whose chief legal officer is the County Attorney.

Taryn Kryzda, County Administrator. Ms. Kryzda became Acting County Administrator in March, 2009, and was promoted to County Administrator in December, 2010. Previously, she served as Assistant County Administrator from 2006 to 2009 and Administrative Services Director from 1999 to 2006. From October 1997 to January 1999, she was Budget Administration/Department Operations

Manager for Administrative Services. She has been employed with Martin County in various budget and finance capacities since July 1987. Prior to that time, she was employed at Pratt & Whitney Aircraft for eight years in the financial area. She received her Bachelor of Science degree in Financial Management from Florida Southern College in December 1986 and her Associate of Arts from Palm Beach Community College in December 1982. Additionally, she received her Masters in Public Administration in 2006 and became a Certified Public Manager in 2010.

The County Administrator is employed by the Board to oversee the day-to-day operations of County departments, make policy recommendations to the Board, and perform other duties assigned to her by the Board. The County Administrator prepares the annual budget for approval by the Board, recommends the tax levy based upon the needs of the County as identified in the budget, and recommends debt issuance or other borrowing plans when necessary. The County Administrator prepares the ten-year capital improvement program as outlined in the County's adopted Comprehensive Plan, and recommends funding resources necessary to implement such program. The primary responsibilities for budget and financial matters are carried out by the Grants Compliance/Budget Manager who reports directly to the County Administrator.

Krista A. Storey, Esq., Acting County Attorney. Ms. Storey has been the Acting County Attorney since January 2019. She has been employed by Martin County since 1997, first as an Assistant County Attorney, then as a Senior Assistant County Attorney and on two previous occasions she has served as the Acting County Attorney. Ms. Storey has thirty-six years of Florida local government experience, serving as an Assistant County Attorney in St. Lucie County from 1984 to 1991 and as the City Attorney for the City of Edgewater from 1991 to 1997. Ms. Storey received her Juris Doctorate in 1983 from the Florida State University College of Law and her Bachelor of Arts degree in Political Science and Education from Florida Technological University in 1978.

Clerk of the Circuit Court and Comptroller

Carolyn Timmann, Clerk of the Circuit Court and Comptroller. The Clerk of the Circuit Court and Comptroller is elected by voters of the County and is the custodian of the County's various funds and accounts, including those established pursuant to the Resolution. Carolyn Timmann is Clerk of the Circuit Court and Comptroller. Her present term of office commenced in January 2017, and expires in January 2021. Clerk Timmann has a long history of public service crossing all three branches of state government in Florida. In 2012, she resigned from a leadership position with the Executive Office of the Governor to successfully run for the Constitutional Office of Martin County Clerk of the Circuit Court and Comptroller. Clerk Timmann was recognized by the Florida Court Clerks and Comptrollers as their Clerk of the Year in 2016. The Clerk's primary responsibilities with respect to bond issues are carried out by her Department of Financial Services which serves under the direction of the Clerk in her role as County Comptroller.

Financial Statements and Annual Audit

Florida law requires that an annual audit of all County accounts and records be completed within one year following the end of each Fiscal Year by an independent certified public accountant retained by the County and paid from its public funds. The County has retained an independent certified public accountant for such purpose.

The Comprehensive Annual Financial Report for fiscal year ended September 30, 2018, has been included as APPENDIX B to this Official Statement as a public document, and the auditor's consent therefor was not requested. The auditor has not been requested to perform, and has not performed, any service in connection with the offering of the Series 2019 Bonds.

The Series 2019 Bonds are payable solely from the Pledged Funds as described herein. The financial statements included in APPENDIX B are presented for general information purposes only.

Description of Financial Practices

The financial statements of the County are prepared in conformity with generally accepted accounting principles as applied to local government finances. The County uses funds and accounts groups to report on its financial position and the results of its operations. A summary of significant accounting policies of the County is contained in the notes to the County's financial statements, which are included in APPENDIX B hereto.

Investment Policy

Moneys on deposit in the funds and accounts created under the Resolution may be invested only in Permitted Investments (as defined in the Resolution). Generally, investment of surplus funds of the County is subject to state law, including, in particular, Section 218.415, Florida Statutes, which requires the adoption of a formal written investment policy for each unit of local government within the state. In the absence of such a formal written investment policy, investment of surplus funds is limited to certain specified types of investments. The County approved an updated investment policy by Board Item adopted on February 3, 2009.

The Clerk of the Circuit Court and Comptroller has been designated by Florida law as the fiscal officer for the Board. Therefore, the Clerk of the Circuit Court and Comptroller is delegated the responsibility to invest County funds in accordance with the County's investment policy.

For a description of the Permitted Investments for moneys in the Funds and Accounts established under the Resolution see the information contained in "APPENDIX C – FORM OF THE RESOLUTION," which contains the definition of Permitted Investments.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2019 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Resolution and the Series 2019 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2019 Bonds, including Bond Counsel's approving opinion, will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. See "APPENDIX C - FORM OF THE RESOLUTION" attached hereto for a description of events of default and remedies.

LITIGATION

There is no pending or, to the knowledge of the County, any threatened litigation against the County of any nature whatsoever which in any way questions or affects the validity of the Series 2019 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the collection of Pledged Funds. Neither the creation, organization or existence, nor the title of the present members of the Board, or other officers of the County is being contested.

The case of *Hobe Sound Ranch, Ltd. v. Martin County*, Case No. 2018-CA-0000710, is currently pending in the Circuit Court of Martin County. The Plaintiff alleged that the County is liable for money damages because the County did not transmit its Comprehensive Plan amendment applications and has characterized the matter as an action against the County for damages for an uncompensated taking of private property pursuant to Article 5, Section 5 and Article X, Section 6 of the Florida Constitution, and Sections 26.012 (2) and 86.012, Florida Statutes. It is the County's position that the Plaintiff has failed to state a claim against the County upon which relief can be granted because Plaintiff does not have a cognizable property interest in amendments to the Comprehensive Plan, and therefore the County Commission's decision not to transmit Plaintiff's proposed amendments to the Comprehensive Plan was neither an action that burdened a property interest nor was it tantamount to a denial of all or substantially all economic, beneficial or productive use of the property.

The County experiences claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of the County, but may, in the aggregate, have a material impact thereon. In the opinion of the County Attorney, however, the County will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences on the financial condition of the County.

LEGAL MATTERS

Certain legal matters incident to the issuance of Series 2019 Bonds and with regard to the treatment of interest on Series 2019 Bonds for Florida and federal tax purposes (see "TAX MATTERS" herein) are subject to the legal opinion of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of Series 2019 Bonds, will be delivered to the Underwriters at the time of original delivery.

The proposed text of the legal opinion is set forth as APPENDIX D hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of the opinion by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Certain legal matters incident to the issuance of Series 2019 Bonds will be passed upon for the County by Krista A. Storey, Esq., Acting County Attorney, and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. The Underwriters are being represented by Akerman LLP, Orlando, Florida.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2019 Bonds in order that interest on the Series 2019 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2019 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2019 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2019 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The County has covenanted in the Resolution with respect to the Series 2019 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2019 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2019 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2019 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2019 Bonds. Prospective purchasers of Series 2019 Bonds should be aware that the ownership of Series 2019 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2019 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2019 Bonds; (iii) the inclusion of interest on Series 2019 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2019 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2019 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the County, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2019 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2019 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2019 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2019 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2019 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2019 Bonds and proceeds from the sale of Series 2019 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2019 Bonds. This withholding generally applies if the owner of Series 2019 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2019 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2019 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2019 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2019 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2019 Bonds.

Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2019 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2019 Bonds maturing on _____ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial

offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2019 Bonds maturing on _____ (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATING

S&P has assigned a rating of "___" (_____ outlook)", to the Series 2019 Bonds. The rating reflects only the views of said rating agency and an explanation of the rating may be obtained only from said rating agency. There is no assurance that such rating will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agency, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of the rating may have an adverse effect on the market price of the Series 2019 Bonds. An explanation of the significance of the rating can be received from the rating agency at the following address: S&P Global Inc., 55 Water Street, New York, New York 10041.

CONTINGENT FEES

The County has retained Bond Counsel, Disclosure Counsel, and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2019 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (including the fees of their counsel) to be paid by the County are each contingent upon the issuance of the Series 2019 Bonds.

FINANCIAL ADVISOR

The County has retained Masterson Advisors LLC, as Financial Advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2019 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent

verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor did not participate in the underwriting of the Series 2019 Bonds. The Financial Advisor or an affiliate may receive a fee for bidding investments for certain proceeds of the Series 2019 Bonds.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the County as of September 30, 2018 and for the year then ended, attached hereto as "APPENDIX B – COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018" have been audited by RSM US LLP, independent auditors, as stated in their report appearing therein. The consent of the County's auditor to include in this Official Statement the aforementioned report was not requested, and the general purpose financial statements of the County are provided only as publicly available documents. The County's auditor was not requested nor did it perform any procedures with respect to the preparation of this Official Statement or the information presented herein.

The Series 2019 Bonds are payable solely from and secured by a lien upon and pledge of the Pledged Funds in the manner and to the extent described herein and the Series 2019 Bonds are not otherwise secured by, or payable from, the general revenues of the County. The financial statements are presented for general information purposes only.

UNDERWRITING

RBC Capital Markets, LLC (the "Senior Managing Underwriter"), on behalf of itself and Merrill Lynch, Pierce, Fenner & Smith Incorporated are serving as the Underwriters. The Underwriters have agreed, subject to certain conditions, to purchase Series 2019 Bonds from the County, at a price of \$ _____ (which represents \$ _____ principal amount, plus net original issue premium of \$ _____, less Underwriters' discount of \$ _____).

The current business of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") is being reorganized into two affiliated broker-dealers (i.e., MLPF&S and BofA Securities, Inc.) in which BofA Securities, Inc. will be the new legal entity for the institutional services that are now provided by MLPF&S. This transfer is expected to occur on May 13, 2019 (the "Transfer Date"). MLPF&S, an underwriter of the Series 2019 Bonds, will be assigning its rights and obligations as an underwriter to BofA Securities, Inc. in the event that the settlement date for the Series 2019 Bonds occurs on or after the Transfer Date. For those Series 2019 Bonds that settle after the Transfer Date, the Series 2019 Bonds may be distributed by BofA Securities, Inc. to MLPF&S pursuant to a distribution agreement between BofA Securities, Inc. and MLPF&S. MLPF&S may in turn distribute the Series 2019 Bonds to investors. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2019 Bonds.

The Underwriters' obligations are subject to certain conditions precedent described in a contract of purchase with the Underwriters, and they will be obligated to purchase all of the Series 2019 Bonds if any Series 2019 Bonds are purchased. The Series 2019 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2019 Bonds into investment trusts) at prices lower than such public offering prices, and the public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the County. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the County.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the County except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the County, and certain additional financial information, unless the County believes in good faith that such information would not be considered material by a reasonable investor. The County is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor.

The County has not undertaken an independent review or investigation of securities for which it has served as conduit County. The County does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2019 Bonds because the County would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the County would have been pledged or used to pay such securities or the interest thereon.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Series 2019 Bondholders to provide certain financial information and operating data relating to the County and the Series 2019 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The County has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC (the "Rule"). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The County has agreed to file notices of certain enumerated events, when and if they occur, with the Repository.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall

be executed by the County upon the issuance of the Series 2019 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2019 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. With respect to the fiscal year ended September 30, 2015, due to the implementation of GASB 68, the County was unable to timely file its audited or unaudited financial statements because it had not received certain information from the Florida Division of Retirement and the State of Florida Auditor General necessary to complete its financial statements. The County filed a notice of failure to file its financial statements on April 29, 2016, and subsequently filed its audited financial statements on June 22, 2016 once the County received all information necessary to complete the financial statements. Additionally, the County inadvertently failed to file notice of an upgrade of an underlying rating from S&P that occurred in November, 2015. The County cured such failure on October 27, 2016. Except as described above, in the past five years, the County has complied in all material respects with any prior agreement to provide continuing disclosure information pursuant to the Rule. The County fully anticipates satisfying all future disclosure obligations required pursuant to the Rule. The County's dissemination agent is FSC Continuing Disclosure Services, a Division of Hilltop Securities Inc.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the County and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2019 Bonds, the security for the payment of the Series 2019 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2019 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the County. At the time of delivery of the Series 2019 Bonds, the County will furnish a certificate to the effect that nothing has come to their attention which would lead it to believe that the Official Statement (other than information herein related to DTC and its book-entry only system of registration, information provided by the Underwriters under the caption "UNDERWRITING" and the information contained under the caption "TAX MATTERS" as to which no view shall be expressed), as of its date and as of the date of delivery of the Series 2019 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

MARTIN COUNTY, FLORIDA

By: _____

Name: Edward V. Ciampi

Title: Chairman, Board of County Commissioners

APPENDIX A

GENERAL INFORMATION PERTAINING TO MARTIN COUNTY, FLORIDA

APPENDIX A

GENERAL INFORMATION PERTAINING TO MARTIN COUNTY, FLORIDA

Background

Martin County, Florida (the "County") was incorporated on May 30, 1925, and named after John Wellborn Martin, Governor of Florida at that time. The City of Stuart, Florida, which was incorporated in 1914 was chartered in 1925 and designated the County Seat. Other municipalities include the Towns of Jupiter Island, Ocean Breeze and Sewall's Point, and the Village of Indiantown. The Village of Indiantown became the newest municipality in the County when, subsequent to approval by voter referendum, it was incorporated on December 31, 2017.

The County consists of approximately 544 square miles of unincorporated land. The County provides a variety of services, including law enforcement, tourist development, fire rescue, conservation and resource management, public improvements, human services, parks and recreation, cultural facilities, planning and zoning, public transportation, economic development, property tax assessments and collections, official recordkeeping, court related support functions, and financial services, including financial reporting and the investment of public funds.

Location and Transportation

Located equidistant from Orlando and Miami, the County is situated on the East Coast of Florida. The area is served by major north-south roads, including I-95 and the Florida Turnpike, which cross in the County. The Florida East Coast Railroad, and CSX Railroads both serve the County.

Two deep-water seaports are located within forty minutes of the County and are readily accessible by both rail and highway facilities -- the Port of Palm Beach in Riviera Beach in Palm Beach County and the Port of Fort Pierce in St. Lucie County.

The only cross-Florida east-west waterway passes through the County. The Okeechobee Waterway connects the City of Stuart, Florida with the western gulf City of Fort Myers, Florida in a 156-mile water passage capable of accommodating both passenger and freight vessels.

Population

During the past decade (2009-2018), the population of the County increased by 8.1%. The County is currently ranked 31st in population size with 0.7% of the State's population. The population estimate for the County for 2018 was 155,556.

The age distribution in the County is similar to that of Florida but differs significantly with that of the nation. Both the County and Florida have considerably larger proportions of persons 65 years and older than the rest of the nation. The County's estimated population by age group as of 2017, was as follows:

<u>Age Group</u>	<u>Population</u>
0 –17	24,568
18-24	10,063
25-54	47,820
55-64	25,019
65 and older	45,552

Source: Bureau of Economic and Business Research, Florida Population Studies.

**Martin County, Florida
Historical Population Growth**

<u>Year</u>	<u>Martin County</u>		<u>Florida</u>	
	<u>Estimated Population</u>	<u>Percentage of Change</u>	<u>Estimated Population</u>	<u>Percentage of Change</u>
1990	100,900	N/A	12,938,071	N/A
2000	126,731	25.60%	15,982,824	25.53%
2009	143,856	13.51	18,652,644	16.70
2010	143,777	0.05	18,801,332	0.80
2011	146,689	2.02	18,905,048	0.55
2012	147,203	0.35	19,074,434	0.90
2013	148,077	0.59	19,259,543	0.97
2014	148,585	0.34	19,507,369	1.29
2015	150,062	0.99	19,815,183	1.58
2016	150,870	0.54	20,148,654	1.68
2017	153,022	1.43	20,484,142	1.67
2018	155,556	1.66	20,840,568	1.74

Source: Bureau of Economic and Business Research, Florida Population Studies.

Employment

Agriculture and tourism, together with the service industries related to these activities, are the leading sources of income for the County's residents. Construction and manufacturing also play important roles in the County's economy. The service and retail trade industries employ 43.43% and 24.80% of the County's labor force, respectively.

The following table shows estimated employment at the ten largest employers in the County for fiscal year 2018.

<u>Employer</u>	<u>Number of Employees</u>	<u>Product/Service</u>
Martin Health Systems	4,563	Health Care
Martin County School District	2,671	Education
Martin County Government	1,708	Government
State of Florida	502	Government
Liberator Medical Supply	400	Medical Supplies
Florida Power & Light	375	Utility
Triumph Aerospace Structures	370	Manufacturing
Paradigm Precision Group	365	Manufacturing
Seacoast National Bank	340	Bank
City of Stuart	251	Government

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

Labor Force Estimates 2009- 2018

<u>Calendar Year</u>	<u>Labor Force</u>	<u>Unemployment Rates</u>		
		<u>Martin County</u>	<u>Florida</u>	<u>United States</u>
2009	62,927	11.0%	10.4%	9.3%
2010	66,636	10.8	11.1	9.6
2011	66,822	9.9	10.0	8.9
2012	67,183	8.3	8.5	8.1
2013	67,457	7.2	7.2	7.4
2014	68,717	6.1	6.3	6.2
2015	69,407	5.3	5.5	5.3
2016	70,925	4.8	4.8	4.9
2017	72,370	4.1	4.2	4.4
2018	74,159	3.5	3.6	3.9

Source: Florida Research and Economic Information Database Application.

Economy

Historically, the economy of the County was mainly agricultural. Favorable growing conditions still supports farmland devoted to agriculture and livestock.

[The County's economy has been driven by the retail, service, hospitality, construction, real estate, medicine, electric generation and government sectors. Martin County is also home to a wide range of companies in the boating industry, including a number of boat manufacturers. The marine industry is a major component of the County's economy, employing approximately 4,237 workers and contributing over \$362 million to the County's economy each year.]

As of February 2019, the Treasure Coast Square Mall in Jensen Beach was the largest regional shopping center in Martin and St. Lucie Counties. With 3 department stores and over 115 specialty stores, it contains 876,257 square feet of shopping area.

The City of Stuart, Florida is known as the "Sailfish Capital of the World" and sport fishing attracts many tourists to the area. The Indian River and St. Lucie River converge in Stuart, and flow into the Atlantic Ocean at the St. Lucie Inlet. Through a series of natural waterways and canals, the Atlantic Intracoastal Waterway runs through the Indian River into Martin County and extends to Palm Beach County. In addition to the Atlantic Intracoastal Waterway, the South Fork of the St. Lucie River connects with Lake Okeechobee through the St. Lucie Canal as part of the Okeechobee Waterway flowing into the Gulf of Mexico near Fort Myers, Florida. The County recognizes and prioritizes the importance of maintaining the diverse estuary, including the Indian River Lagoon, to support the ecological and economic impact it provides for the County.

In February of 1990, the County adopted its Comprehensive Growth Management Plan (the "Plan"). The Plan contains the goals, objectives and policies, requirements for capital improvements, monitoring and evaluation procedures for planning roads, recreation, schools, housing, land use and utilities. Each municipality has its own plan for development and growth, compatible with that of the County.

Martin County, Florida Property Value Fiscal Years Ended 2009-2018

<u>Fiscal Year</u>	<u>Property Value</u>
2009	\$20,429,958,733
2010	17,786,366,431
2011	15,986,019,852
2012	15,146,410,571
2013	14,495,129,157
2014	14,827,621,858
2015	15,804,742,761
2016	17,009,437,730
2017	18,587,439,790
2018	20,127,111,320

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

**Value of Building Permits Issued
Fiscal Year 2009-2018**

<u>Fiscal Year</u>	<u>Residential Units</u>	<u>Residential Value</u>	<u>Commercial Units</u>	<u>Commercial Value</u>
2009	88	\$38,000,756	3	\$25,148,785
2010	178	80,328,704	8	15,969,534
2011	159	66,519,858	11	9,642,018
2012	305	120,092,087	5	15,148,889
2013	397	163,385,374	13	19,132,885
2014	390	160,029,401	7	18,566,444
2015	393	174,031,476	9	24,276,227
2016	430	183,160,251	9	48,366,835
2017	274	143,311,655	8	5,561,971
2018	365	186,594,529	15	37,828,481

Source: Martin County Building Department

Education

The Martin County School Board operates 12 elementary schools, 5 middle schools, 3 senior high schools with student/teacher ratios of 15:1, 18:1 and 19:1, respectively. The total estimated 2018 enrollment was 18,994. Higher education is offered at Indian River State College, Treasure Coast Barry University, Florida Atlantic University, Florida Institute of Technology Graduate Center, and Webster College.

Utilities

The County currently owns and operates a consolidated water and wastewater utility system, which includes four water supply and treatment plants and four wastewater collection, treatment and disposal facilities which provide water and wastewater service to portions of the County and surrounding areas. Electricity is provided by Florida Power & Light Company. Telephone service is provided to residents of the County by the AT&T and ITS Telecommunications Systems, Inc.

Hospital Facilities and Health Care

Martin Memorial Health Systems ("MMH"), based in Stuart, is comprised of three hospitals, one MediCenter, a free-standing emergency center, and numerous outpatient centers and clinics. MMH provides services to residents throughout the Treasure Coast, including Stuart, Jensen Beach, Hobe Sound, Palm City and Port St. Lucie. The multi-building, 521-bed facility has repeatedly earned top commendations by the Joint Commission on Accreditation of Hospitals. Founded in 1939, it is considered the finest health care facility on the Treasure Coast with over 400 doctors and more than 4,000 employees. Volunteers give more than 187,000 hours annually--the equivalent of 97 full-time employees.

The Martin County Council on Aging provides services for senior citizens, including assistance with chores, errands, minor repairs, cleaning services, recreational outings and transportation. Additional services are available to seniors with disabilities.

Taxable and Assessed Property Valuations

The following table compares the taxable and assessed valuations in the County for the period 2009 through 2018.

Assessed Value of Taxable Property 2009– 2018

Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Total Assessed Valuation	Homestead and Other Exemptions	Total Taxable Valuation
2009	\$29,582,296,266	\$2,166,888,200	\$60,594,501	\$31,809,778,967	\$11,183,140,471	\$20,626,638,496
2010	26,216,446,651	2,094,539,575	42,271,907	28,358,258,133	9,567,825,566	18,790,432,567
2011	23,131,077,756	2,069,709,043	45,743,610	25,246,530,409	7,753,620,332	17,492,910,077
2012	21,419,798,771	2,379,712,569	47,987,530	23,847,498,870	6,704,274,218	17,143,224,652
2013	20,400,690,587	2,691,033,580	43,326,596	23,135,050,763	6,197,480,627	16,937,570,136
2014	20,772,256,656	2,751,732,111	46,969,179	23,570,957,946	6,382,476,674	17,188,481,272
2015	21,852,301,131	2,694,829,935	56,762,712	24,603,893,778	6,915,578,676	17,688,315,102
2016	23,402,996,873	2,851,740,402	58,633,754	26,313,371,029	7,725,990,616	18,587,380,413
2017	25,152,585,524	2,886,913,105	63,522,147	28,103,020,776	8,553,106,907	19,549,913,869
2018	27,000,053,502	3,151,615,660	65,573,219	30,217,242,381	9,458,772,763	20,758,469,618

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

Ten Largest Taxable Properties

Below is a table which shows the ten largest taxable properties as of September 30, 2018.

Martin County, Florida Principal Taxpayers (2018 Fiscal Year)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Value</u>	<u>Percentage of Total Taxable Valuation</u>
Florida Power & Light Company	Electric Utility	\$2,584,584,064	12.45%
Confidential Per FL		88,698,595	0.43
Treasure Coast – JCP Associates LTD.	Shopping Mall Developer	83,717,458	0.40
Publix Super Markets, Inc.	Grocer	49,713,851	0.24
South FL Water Management District	Utility	6,495,584	0.03
Jupiter Island Revocable Trust		47,851,960	0.23
Florida Gas Transmission	Utility	47,553,029	0.23
Florida Southeast Connect	Natural Gas Pipeline	39,223,638	0.19
PRCP – Stuart LLC	Multi-Family Asset Manager	38,000,000	0.18
Trust of Edward H Hamm	Electric Utility	34,437,810	0.17

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

Martin County, Florida
Property Tax Levies and Tax Collections
2009- 2018

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Total Current Collections</u>	<u>Percentage Current Collection</u>
2009	\$142,885,561	\$143,057,563	99.86%
2010	135,671,472	135,803,647	99.92
2011	132,313,569	132,513,059	99.92
2012	132,687,415	132,749,527	99.95
2013	131,237,670	131,351,671	99.97
2014	137,347,038	137,470,453	99.97
2015	143,978,561	144,103,668	99.98
2016	155,035,798	155,099,202	99.97
2017	163,241,656	163,321,790	99.95
2018	177,381,468	177,381,468	99.83

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

Form of Government

The County is governed by the Martin County Board of County Commissioners, a five-member board elected by the county citizenry at-large. In addition, the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Tax Collector, and Supervisor of Elections are elected by the citizenry at-large and function independently of the Board of County Commissioners.

Florida Retirement System

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

General Information. Substantially all of the County's fire fighter employees participate in the FRS. The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans – the FRS defined benefit pension plan (the "FRS Pension Plan") and the FRS defined contribution plan (the "FRS Investment Plan"). The FRS Pension Plan was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees.

Florida Retirement System Pension Plan

Membership. FRS membership is compulsory for all employees filling a regularly established position in a state agency, county agency, state university, state community college, or district school board. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in

the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

There are five general classes of membership, as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives.
- *Special Risk Class* - Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001 through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers' Class (EOC)* - Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class. Members of the EOC may elect to withdraw from the FRS or participate in the SMSC in lieu of the EOC.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members initially enrolled during this period. Members not actively working in a position covered by the FRS Pension Plan on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2001, through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, SMSC, and EOC Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62. For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.
- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of Special Risk Class

service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class. For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Benefits. Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a cost-of-living adjustment. If the member is initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

The Deferred Retirement Option Program ("DROP") became effective July 1, 1998, subject to provisions of Section 121.091(13), Florida Statutes. FRS Pension Plan members who reach normal retirement are eligible to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest. As of June 30, 2018, the FRS Trust Fund held \$2,432,971,600 in accumulated benefits for 36,001 DROP participants. Of these 36,001 DROP participants, 34,173 were active in the DROP with balances totaling \$2,185,360,679. The remaining participants were no longer active in the DROP and had balances totaling \$247,610,920 to be processed after June 30, 2018.

Administration. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration (the "SBA") invests the assets of the FRS Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded from earnings on investments of the FRS Trust Fund. Reporting of the FRS Pension Plan is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Contributions. All participating employers must comply with statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, Florida Statutes. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years. Pursuant to Section 121.031(3)(f), Florida Statutes, any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for all defined

benefit pension plans at June 30, 2018, was \$161,196,880,609. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

Effective July 1, 2011, both employees and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the FRS Pension Plan and the FRS Investment Plan. The uniform rates for Fiscal Year 2017-18 are as follows:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate⁽¹⁾</u>	<u>Total Contribution Rate</u>
Regular	3.00%	6.20%	9.20%
Special Risk	3.00	21.55	24.55
Special Risk Administrative Support	3.00	32.91	35.91
Elected Officers – Judges	3.00	37.92	40.92
Elected Officers -			52.14
Legislators/Attorneys/Cabinet	3.00	49.14	
Elected Officers – County, City, Special Districts	3.00	43.78	46.78
Senior Management Service	3.00	20.99	23.99
Deferred Retirement Option Program	N/A	11.60	11.60

⁽¹⁾ These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66% contribution for the Retiree Health Insurance Subsidy ("HIS") and the fee of 0.06% for administration of the FRS Investment Plan and provision of educational tools for both plans.

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

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The contributions of the County are established and may be amended by the State Legislature. The consolidated County's contributions to the FRS Pension Plan totaled \$10,230,897 for the Fiscal Year ended September 30, 2018.

Pension Amounts for the FRS Pension Plan.

**Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)**

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Total Pension Liability			
Service cost	\$2,114,047	\$2,132,906	\$2,073,754
Interest on total pension liability	11,721,563	12,109,114	12,484,167
Effect of plan changes	0	32,310	92,185
Effect of economic/demographic (gains) or losses	1,620,863	980,192	1,412,462
Effect of assumption changes or inputs	0	1,030,667	10,398,344
Benefit payments	<u>(10,201,501)</u>	<u>(10,624,925)</u>	<u>(9,859,319)</u>
Net change in total pension liability	5,254,972	5,660,264	16,601,593
 Total pension liability, beginning	<u>156,115,763</u>	<u>161,370,735</u>	<u>167,030,999</u>
Total pension liability, ending (a)	<u>\$161,370,735</u>	<u>\$167,030,999</u>	<u>\$183,632,592</u>
 Fiduciary Net Position			
Employer contributions	\$2,438,085	\$2,438,659	\$2,603,246
Member contributions	698,304	710,717	744,839
Investment income net of investment expenses	5,523,287	820,583	18,801,917
Benefit payments	(10,201,500)	(10,624,925)	(9,859,319)
Administrative expenses	<u>(18,074)</u>	<u>(18,507)</u>	<u>(18,340)</u>
Net change in plan fiduciary net position	(1,559,898)	(6,673,473)	12,272,342
 Fiduciary net position, beginning	<u>150,014,292</u>	<u>148,454,394</u>	<u>141,780,921</u>
Fiduciary net position, ending (b)	<u>\$148,454,394</u>	<u>\$141,780,921</u>	<u>\$154,053,263</u>
 Net pension liability, ending = (a) – (b)	\$12,916,341	\$25,250,078	\$29,579,329
 Fiduciary net position as a % of total pension liability	92.00%	84.88%	83.89%
 Covered payroll ⁽¹⁾	\$32,726,034	\$33,214,217	\$33,775,800
 Net pension liability as a % of covered payroll	39.47%	76.02%	87.58%

(1) For June 30, 2015, and later, covered payroll shown includes the payroll for FRS Investment Plan members and payroll on which only UAL rates are charged.

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

Actuarial Methods and Assumptions for the FRS Pension Plan. The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2017, calculated based on the discount rate and actuarial assumptions below:

	June 30, 2017	June 30, 2018
Discount rate	7.10%	7.00%
Long-term expected rate of return, net of investment expense	7.10%	7.00%
Bond Buyer General Obligation 20-Bond Municipal Bond Index	N/A	N/A

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees in determining the projected depletion date. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The actuarial assumptions used to determine the total pension liability as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

Valuation Date	July 1, 2018
Measurement Date	June 30, 2018
Asset Valuation Method	Fair Market Value
Inflation	2.60%
Salary increase including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age Normal

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

Sensitivity Analysis for the FRS Pension Plan. The following presents the net pension liability of the FRS, calculated using the discount rate of 7.00%, as well as what the FRS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.10%	Current Discount Rate 7.10%	1% Increase 8.10%
Total pension liability	\$216,168,090,000	\$191,317,399,000	\$170,677,431,000
Fiduciary net position	<u>161,196,880,609</u>	<u>161,196,880,609</u>	<u>161,196,880,609</u>
Net pension liability	\$54,971,209,391	\$30,120,518,391	\$9,480,550,391

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

Retiree Health Insurance Subsidy Program

The HIS Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2017, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2018, the contribution rate was 1.8% of payroll pursuant to Section 112.363, F.S. The State contributed 100% of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

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Pension Amounts for the HIS.

Schedule of Changes in Net Pension Liability and Related Ratios
(in thousands)

Total Pension Liability	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Service cost	\$217,519	\$256,710	\$304,537	\$258,450
Interest on total pension liability	405,441	390,757	337,486	389,705
Effect of plan changes	0	0	0	0
Effect of economic/demographic (gains) or losses	0	(30,826)	0	188,173
Effect of assumption changes or inputs	607,698	1,352,459	(1,073,716)	(398,996)
Benefit payments	(425,086)	(449,857)	(465,980)	(491,528)
Net change in total pension liability	805,572	1,519,243	(897,673)	(54,196)
Total pension liability, beginning	9,443,629	10,249,201	11,768,445	10,870,772
Total pension liability, ending (a)	<u>\$10,249,201</u>	<u>\$11,768,445</u>	<u>\$10,870,772</u>	<u>\$10,816,576</u>
Fiduciary Net Position				
Employer contributions	\$382,454	\$512,564	\$529,229	\$542,303
Member contributions	0	0	0	237
Investment income net of investment expenses	208	565	1,380	3,311
Benefit payments	(425,085)	(449,857)	(465,980)	(491,531)
Administrative expenses	(188)	(188)	(177)	(168)
Net change in plan fiduciary net position	(42,611)	63,084	64,452	(54,152)
Fiduciary net position, beginning	93,385	50,774	113,859	178,311
Fiduciary net position, ending (b)	<u>\$50,774</u>	<u>\$113,859</u>	<u>\$178,311</u>	<u>\$232,463</u>
Net pension liability, ending = (a) – (b)	\$10,198,427	\$11,654,586	\$10,692,461	\$10,584,113
Fiduciary net position as a % of total pension liability	0.50%	0.97%	1.64%	2.15%
Covered payroll	\$30,340,449	\$30,875,274	\$31,885,633	\$32,670,918
Net pension liability as a % of covered payroll	33.61%	37.75%	33.53%	32.40%

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

Actuarial Methods and Assumptions for the HIS. The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and then was projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67. The same demographic and economic assumptions that were used in the Florida Retirement System Actuarial Valuation as of July 1, 2017 ("funding valuation") were used for the HIS Program, unless otherwise noted. In a given membership

class and tier, the same assumptions for both FRS Investment Plan members and for FRS Pension Plan members were used.

	June 30, 2017	June 30, 2018
Discount rate	3.58%	3.87%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.58	3.87

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2017 valuation was updated from 2.85% to 3.58%, reflecting the change in the Bond Buyer General Obligation 20- Bond Municipal Bond Index as of June 30, 2018.

The actuarial assumptions used to determine the total pension liability as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

Valuation Date	July 1, 2018
Measurement Date	June 30, 2018
Inflation	2.60%
Salary increase including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

Sensitivity Analysis for the HIS. The following presents the net pension liability of the HIS, calculated using the discount rate of 3.58%, as well as what the HIS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate.

	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total pension liability	\$12,287,147,049	\$10,816,575,623	\$9,590,769,127
Fiduciary net position	<u>232,463,369</u>	<u>232,463,369</u>	<u>232,463,369</u>
Net pension liability	\$12,054,683,680	\$10,584,112,254	\$9,358,305,758

Source: Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018.

FRS Investment Plan

The State Board of Administration administers the defined contribution plan officially titled the FRS Investment Plan. The Florida Legislature establishes and amends the benefit terms of the plan. Retirement benefits are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the years of service required for vesting under the FRS Pension Plan (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. The FRS Investment Plan member directs the investment from the options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer assessment of payroll and by forfeited benefits of plan members. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the employer pays an employer contribution to fund the disability benefit which is deposited in the FRS Trust Fund. The member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

GASB 68/71

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions" – an amendment to GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers", which was subsequently amended by GASB No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (collectively, "GASB No. 68/71"), which is effective for the County's fiscal year ended September 30, 2016. As a participating employer, the County implemented GASB No. 68/71, which requires an employer participating in a cost-sharing multiple-employer defined benefit pension plans to report the employer's proportionate share of the net pension liabilities of the defined benefit pension plans. The greatest impact of GASB No. 68/71 to the County is the inclusion of the County's proportionate share of the FRS Net Pension Liability (the "County's Net Pension Liability"), which reduced the County's Unrestricted Net Position and Total Net Position. Additionally, pension expense is no longer equal to pension contributions made, but instead is equal to the change in net pension liability from year to year, with adjustments for deferred amounts. The County is also now required to include more extensive footnote disclosures and supplementary schedules.

All of these decreases are accrual based accounting changes, and do not represent decreases in cash or liquidity positions. The County does not expect that implementation of GASB 68/71 to have any effect on the County's ability to pay debt service on the Series 2019 Bonds.

Multiple Employer Defined Benefit Retirement Plan

As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan and HIS. Under Section 121.4501,

Florida Statutes, the FRS also provides a defined contribution plan FRS Investment Plan alternative to the FRS Pension Plan, which is administered by the SBA. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or from the website: www.dms.myflorida.com/workforce_operations/retirementpublications.

Other Post-Employment Benefits ("OPEB")

Plan Description

The County provides post-retirement health care benefits, pursuant to Section 112.0801 of Florida Statutes, to all employees who retire from the County after vesting with the FRS. Currently, 602 retirees meet those eligibility requirements. Although not required by Florida Law, the County has opted to pay a portion of the cost of such participation for retired County employees through a single employer defined benefit plan (the "Plan") for which benefit provisions may be amended. Employees, other than firefighters, who were hired on or after October 13, 2009, are not eligible for post-retirement-health care benefits, however, they may participate in the County's Plan, paying the whole cost themselves. The Plan does not issue a stand-alone financial report. All financial information related to the Plan is accounted for in the County's basic financial statements.

Retired employees of the Board of County Commissioners; Clerk of the Circuit Court and Comptroller; Property Appraiser; Supervisor of Elections; and Tax Collector ("the Agencies"), hired prior to October 13, 2009, who retire after 30 years of service, or after the age of 55, with ten (10) years of credited service with the County and who were participants in the existing medical plan at the time of retirement, are entitled to participation in the Plan. For these retirees, the Agency subsidizes 75% of the cost of health care coverage for the retiree. The retiree may choose family coverage, but would have to pay the difference in premium cost to the Agency.

Eligible International Association of Fire Fighters ("IAFF") employees wishing to participate in the County's health insurance program upon retirement must have worked for the County for ten (10) years, be at least 55 years of age, or have worked for a FRS employer for at least twenty-five (25) years including ten (10) years with the County, regardless of age. The retired employee must be receiving retirement benefits from the FRS in order to participate in the Plan. Effective October 1, 2011, the Board of County Commissioners reduced the health premium subsidy provided to its retiring firefighters. Those that retired prior to that date will be grandfathered and continue to receive the subsidy of the County paying 75% of insurance cost regardless of the level of coverage (including any dependent coverage). Firefighters who retired after September 30, 2011 will not receive any direct subsidy to dependent coverage; however, the County will continue paying 75% of single premiums until the retiree

attains Medicare eligibility. For retirees eligible for Medicare, the County will contribute 25% of the applicable single premium.

The Sheriff's Office provides postretirement health care benefits, in accordance with state statutes, to all employees who retire from the Sheriff's office after vesting with the state of FRS. Currently, 291 retirees meet those eligibility requirements. The Sheriff subsidizes 75% of the amount of health care costs for retirees hired before January 1, 2001, and who have completed ten or more years of creditable, continuous service with the Sheriff's Office. Employees hired after that date through December 31, 2009, are subsidized 60% to 75%, depending on the years of service. Employees hired on or after January 1, 2010, with at least 20 years of service will be subsidized 70% to 75%. Full-time employees hired on or after April 1, 2011, who wish to continue their health insurance benefits upon their retirement, shall be responsible for 100% of their insurance costs. The health care rates for retirees are the same as for active employees. All retirees who have life insurance at the time of their retirement are eligible for a \$5,000 life insurance policy on themselves only, which is subsidized 50% by the Sheriff. The Sheriff does not issue a stand-alone financial report for OPEB.

Funding Policy

The contribution requirements of plan members and the employer are established by the Board of County Commissioners and may be amended. All entities of the County are required by Florida Statute 112.0801 to allow their retirees (and eligible dependents) to continue participation in the group insurance plan. Retirees must be offered the same coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees which results in an implicit subsidy as defined by GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria*.

At September 30, 2018, retirees receiving benefits contributed the following monthly premiums in the following categories for Agencies (Board of County Commissioners, except IAFF, and all constitutionals except the Sheriff), IAFF, and Sheriff:

	<u>Agencies</u>	Fire Rescue <u>IAFF</u>	<u>Sheriff</u>
Monthly Minimum	\$80	\$80	\$140
Monthly Maximum	\$1,535	\$1,151	\$1,703

Funding for the plan is on a pay-as-you-go basis from the County's general assets when due. There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The County has set an internal assignment of \$6.1 million for this purpose; interest totaling \$133,035 had accrued as of September 30, 2018. The Sheriff's Department has no internal assignment for OPEB.

For the fiscal year ended September 30, 2018, the County provided explicit subsidy contributions of \$3,515,217 to cover retired employees and \$2,976,151 for the Sheriff's Office to cover retired employees. Blended premium rates for active and retired employees combined provide an implicit subsidy for retirees because, on an actual basis, their current and future claims are expected to result in higher costs to the Plan than those of active employees. The current year contributions include an estimate of this implied subsidy.

Plan Membership

Effective for fiscal 2018, the Enterprise Funds portion of the OPEB liability is being recorded in the Proprietary Fund Statements.

As of September 30, 2018, membership consisted of:

	Agencies Without <u>Enterprise</u>	Enterprise <u>Funds</u>	<u>Sheriff</u>
Active employees	894	119	492
Retire participants	<u>277</u>	<u>34</u>	<u>291</u>
Total	<u>1,171</u>	<u>153</u>	<u>783</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined based on the following assumptions and information:

Actuarial valuation date	September 30, 2017
Measurement date of the total OPEB liability	September 30, 2017
Employer's reporting date	September 30, 2018
Actuarial cost method	Entry Age Normal

Discount Rate: The discount rate of 3.50% is based on the daily rate of Fidelity's General Obligation AA Index closest to but no later than the measurement date, which provides a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Inflation: 2.50 % per year

Salary Increases: 3.70% - 7.80% per year, including inflation

Healthcare Cost Trend Rates: Rates are based on the Getzen Model, Agencies and Fire Rescue trend starting at 7.0% on January 1, 2018, followed by 6.75% on January 1, 2019, and gradually decreasing to an ultimate trend rate of 4.24% plus 0.45% increase for excise tax; and Sheriff trend starting at 3.7% on October 1, 2018, followed by 6.75% on October 1, 2019, and gradually decreasing to an ultimate trend rate of 4.24% plus 0.52% increase for excise tax.

Mortality Rates: Mortality rates are taken from sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational mortality improvement projected to all future years from the year 2000 using Projection Scale BB.

Premium Rate Subsidy: For Agencies and Fire Rescue, a subsidized rate is available to employees hired by the County before October 13, 2009, and retiring with at least ten years of service with the County who meet requirements for Normal Retirement or upon attaining age 55. The amount and duration of the subsidy depends on the employment classification and date of retirement. For Sheriff, a subsidized rate based on a sliding scale is available for full-time employees of the Sheriff's Office hired

on or after June 1, 2007, who qualify under the Disability or Normal Retirement requirements of FRS and who work the last ten continuous years with the Sheriff's Office.

Demographic Assumptions: Unless otherwise noted, demographic assumptions used were the same as those employed in the July 1, 2016, actuarial valuation of the FRS, which were developed by FRS from an Actuarial Experience Study completed for the period July 1, 2008, through June 30, 2013.

Expenses: Administrative expenses are included in per capita health costs.

Changes Since the Prior Valuation: Changes in assumptions and other inputs include the change in the discount rate from 3.10% as of September 30, 2016, to 3.50% as of September 30, 2017. There were no benefit changes during the year.

At September 30, 2018, the County reported a total OPEB liability of \$160,884,211. Information required by GASB Codification Section P52: *Postemployment Benefits Other Than Pensions – Reporting for Benefits Not Provided Through Trusts That Meet Specified Criteria* is being provided as of the September 30, 2017, the measurement date.

Changes in Total OPEB Liability

The County's changes in total OPEB liability for the year ended September 30, 2017 (measurement date), were as follows:

Service cost	\$5,144,071
Interest on the total OPEB liability	5,227,897
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	-
Changes in assumptions and other inputs	(10,017,812)
Benefit payments	(5,935,446)
	-
Net change in total OPEB liability	\$(5,581,290)

Sensitivity of the Total OPEB Liability

The following table represents the County's total OPEB liability calculated using the discount rate of 3.50%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$187,530,185	\$160,884,211	\$139,096,284

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

The following table represents the County's total OPEB liability (aggregating Agencies and the Sheriff's Office) calculated using the current health care cost trend rate, as well as what the County's total OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Ultimate Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$135,406,989	\$160,884,211	\$193,822,680

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2018, the County recognized OPEB expense as follows:

Service cost	\$5,144,071
Interest on the total OPEB liability	5,227,897
Recognition of outflow/inflow of resources due to liabilities	<u>(1,191,777)</u>
Total	<u>\$9,180,191</u>

In addition, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>			
	<u>Agencies Without Enterprise</u>	<u>Enterprise Funds</u>	<u>Sheriff</u>	<u>Total</u>
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Benefits paid after the measurement date	<u>3,385,776</u>	<u>129,441</u>	<u>2,976,151</u>	<u>6,491,368</u>
Total	<u>3,385,776</u>	<u>129,441</u>	<u>2,976,151</u>	<u>6,491,368</u>
	<u>Deferred Inflows of Resources</u>			
	<u>Agencies Without Enterprise</u>	<u>Enterprise Funds</u>	<u>Sheriff</u>	<u>Total</u>
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions and other inputs	<u>3,466,055</u>	<u>132,510</u>	<u>5,227,470</u>	<u>8,826,035</u>
Total	<u>3,466,055</u>	<u>132,510</u>	<u>5,227,470</u>	<u>8,826,035</u>

The deferred outflows of resources related to OPEB, totaling \$6,491,368 resulting from County contributions paid subsequent to the measurement date, will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows

of resources and deferred inflows of resources related to the OPEB plan will be recognized in the expense as follows:

2019	\$(1,191,777)
2020	(1,191,777)
2021	(1,191,777)
2022	(1,191,777)
2023	(1,191,777)
Thereafter	<u>(2,867,150)</u>
Total	<u>\$(8,826,035)</u>

Deferred inflows of resources arising from changes in assumptions and other inputs will be recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the Plan. At September 30, 2017, the average of the expected remaining service lives is 8.9 years for Agency employees and 8.1 years for employees of the Sheriff's Office.

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Martin County, Florida
Direct, Overlapping and Underlying Long-Term Indebtedness
(as of September 30, 2018)

<u>Direct Debt</u>	<u>Debt Outstanding</u>	<u>Non-Self Supporting Revenue Debt</u>	<u>Self- Supporting Revenue Debt</u>
Improvement Revenue Note, Series 2004		\$2,475,000	
Improvement Revenue Note, Series 2005		2,665,000	
Capital Leases		21,526,506	
Capital Improvement Revenue Note, Series 2010		1,619,000	
Capital Improvement Revenue Note, Series 2011		3,124,000	
Lease Purchase Refunding Note, Series 2013		2,718,044	
Gas Tax Refunding Revenue Note, Series 2014		18,905,000	
Capital Improvement Revenue Note, Series 2017A (Tax-Exempt)		2,904,000	
Capital Improvement Revenue Note, Series 2017B (Taxable)		1,803,000	
Capital Improvement Revenue Note, Series 2017C (Tax-Exempt)		3,846,000	
Capital Improvement Revenue Note, Series 2017D (Taxable)		15,033,000	
Capital Improvement Revenue Note, Series 2017E (Tax-Exempt)		2,246,000	
North River Shores (Phase 2) Municipal Service Benefit		5,050,000	
Unit Special Assessment Revenue Note, Series 2018			
Clean Water State Revolving Fund Construction Loan		1,051,749	
Utilities System Refunding Revenue Bonds, Series 2016A			\$45,370,000
Utilities System Refunding Revenue Bonds, Series 2016B (Taxable)			18,700,000
State Revolving Fund Loan			1,155,221
Total Direct Debt	<u>\$0</u>	<u>\$84,996,299</u>	<u>\$65,225,221</u>
<u>Overlapping and Underlying Debt</u>			
City of Stuart:			
Revenue Bonds and Notes	\$1,009,692		
General Obligation Bonds	5,845,000		
Town of Jupiter Island:			
General Obligation Notes	6,842,553		
Martin County School Board:			
State School Bonds		\$5,031,000	
Certificates of Participation		27,557,615	
Capital Lease		271,335	
South Florida Water Management District			
Certificates of Participation		<u>373,685,000</u>	
Total Overlapping and Underlying Debt	<u>\$13,697,245</u>	<u>\$406,544,950</u>	<u>\$0</u>
TOTAL DIRECT AND OVERLAPPING UNDERLYING DEBT	<u>\$13,697,245</u>	<u>\$491,511,249</u>	<u>\$65,225,221</u>

Source: Martin County, Florida Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2018.

APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

APPENDIX C

FORM OF THE RESOLUTION

APPENDIX D

FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

EXHIBIT C

Form of Continuing Disclosure Certificate

APPENDIX E

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Martin County, Florida (the "Issuer") in connection with the issuance of its \$ _____ Half-Cent Sales Tax Revenue Bonds, Series 2019 (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 19-____ of the County's Board of County Commissioners (the "Board"), adopted on [April 23], 2019, as amended and supplemented from time to time, and in particular, as supplemented by Resolution No. 19-____ adopted on [April 23], 2019 (collectively, the "Resolution").

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" mean initially FSC Continuing Disclosure Services, a Division of Hilltop Securities Inc., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal

securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, by not later than May 30th following the end of the prior fiscal year, beginning with the 2018-2019 fiscal year, provide to any Repository, in the electronic format as required and deemed acceptable by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the date set forth in (a) above, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to any Repository an Annual Report as required in subsection (a), the Issuer (or the Dissemination Agent, if other than the Issuer) shall send a notice to any Repository, in electronic format as prescribed by such Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of any Repository; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing any Repository to which it was provided.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated _____, 2019 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) updates of the historical financial and operating data set forth in the Official Statement under the captions "Historical Collections" and "Historical Half-Cent Sales Tax Revenue Distributions."

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 15 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof;
16. incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material; and
17. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be FSC Continuing Disclosure Services, a Division of Hilltop Securities Inc.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the Issuer shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

[Remainder of page intentionally left blank]

SECTION 13. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of _____, 2019

(SEAL)

MARTIN COUNTY, FLORIDA

By: _____

Name: Edward V. Ciampi

Title: Chair, Board of County Commissioners

ATTESTED:

By: _____

Name: Carolyn Timmann

Title: Clerk of the Circuit Court and Comptroller

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Martin County, Florida

Name of Bond Issue: Half-Cent Sales Tax Revenue Bonds, Series 2019

Date of Issuance: _____, 2019

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3(a) and 4(b) of the Continuing Disclosure Certificate dated as of _____, 2019. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

MARTIN COUNTY, FLORIDA

By: _____

Name: _____

Title: _____